



VACCHO

Submission to Infrastructure Victoria Infrastructure Priorities for the Regions

21 February 2020

VACCHO is pleased to have the opportunity to provide the following information to Infrastructure Victoria on the needs of our Members.

Executive summary

The Victorian Aboriginal Community Controlled Health Organisation (VACCHO) is calling for significant investment in Victorian based Aboriginal Community Controlled Organisations' (ACCOs) infrastructure to meet the service needs of the Aboriginal population of Victoria. The inadequacy of the existing infrastructure will be further exacerbated by a population which is growing at a rate far greater than the non-Aboriginal demographic, a speed not anticipated by prior funding models.

Without an overhaul of the current funding model and significant investment, Victoria's ACCOs will be greatly limited in their ability to deliver services, efficiency and welfare of staff will be greatly compromised, and the capacity to achieve the self-determination goals shared by the Victorian Government and the Victorian Community will be greatly compromised.

Recommendations

VACCHO recommends that:

- The Victorian Government use the 2013 *Assessment of the Current and Future Requirements of key Indigenous Organisations in Victoria* as a basis from which to build its infrastructure strategy as it relates to Aboriginal organisations.
- The Victorian Government work in tandem with VACCHO and its Members to build upon the 2013 assessment and update infrastructure strategy for the present and future.
- The Victorian government, VACCHO and its Members create a regional growth and service plan for each regional member.
- The Victorian government, VACCHO and its Members create a detailed growth and service plan for each member and associated 40 year capital works plan to take into account property maintenance and each building's life cycle.

- The Victorian Government prioritise significant investment in ACCO infrastructure.
- The Victorian Government, VACCHO and its Members assess the viability of different methods of land holding, especially direct ownership, with a view to achieving financial sustainability as is consistent with self-determination.

About VACCHO

VACCHO is the peak body for Aboriginal health and wellbeing in Victoria, with Membership consisting of 31 Aboriginal Community Controlled Organisations (ACCOs) that provide support to approximately 25,000 Aboriginal people. VACCHO champions Community Control and health equality, working towards building vibrant, healthy and self-determining Aboriginal Communities. Our Members have a proud history as sustainable, grassroots organisations that assist in building Community capacity for self-determination. VACCHO believes that each Aboriginal Community needs its own locally owned, culturally appropriate, and adequately resourced primary health care facility.

Increasing need

In 2019, the Aboriginal Executive Council (AEC) commissioned Social Ventures Australia (SVA) consulting to assess and project into the future, demand for Aboriginal services in Victoria. The report relied upon earlier work prepared for Victorian Aboriginal Child Care Agency (VACCA) by SVA. The findings indicate that demand will grow significantly in all areas relevant to ACCOs, demonstrating the importance of ensuring ACCOs have the capacity to meet these demands.

Demand for family and child services:

- By 2028, at current rates in Victoria:
 - The Aboriginal population is projected to rise by 60%.
 - 4559 Aboriginal children will be identified as vulnerable when they start school, an increase of 48%.
 - Over 5,500 Aboriginal children will be living under the poverty line, an increase of 48%.

- At current rates, 3893 Aboriginal children will be in out of home care, an increase of 108%.
- 1700 Aboriginal families will require intensive services, an increase of 93%.

Demand for culturally safe and connected services:

- By 2028, at current rates in Victoria:
 - 6300 Aboriginal women will be affected by violence, an increase of 43%.
 - Nearly 15,000 Aboriginal people will access homelessness services, an increase of 61%.
 - Over 1400 Aboriginal people will be recorded as offenders, an increase of 48%.

Demand for mental health and aod services:

- By 2028, at current rates in Victoria:
 - More than 31,000 Aboriginal people will have high or very high levels of psychological distress, an increase of 48%.
 - Over 5000 Aboriginal people will access community mental health support services, an increase of 48%.
 - 9500 Aboriginal people will be using alcohol or drugs at a very risky level and will require AOD services, an increase of 48%.
 - Nearly 3000 Aboriginal people under the age of 24 will not be engaged in training, education or employment, an increase of 47%.
 - Over 1000 Aboriginal people under 18 will be involved in the youth justice system, an increase of 47%.

According to the National Aboriginal Community Controlled Health Organisation's *Investing in Aboriginal Community Controlled Health Organisations Makes Economic Sense Report*, demand for ACCOs' services is increasing at 6.3% a year, faster than population growth. Therefore, demand for ACCO services will certainly grow concomitant with the projected population growth.

Regional growth plan

As 12.6% of the Aboriginal population of Victoria lives regionally, in comparison to 7.5% of the non-Aboriginal population, the demand for Aboriginal-specific services will grow in regional areas at greater rates than demand for mainstream services.

Due to the well documented disadvantage experienced by the Aboriginal population of Victoria and the existing shortcomings in ACCO infrastructure not captured by Infrastructure Victoria's 30 year strategy, a specific regional growth plan will be required to ameliorate disadvantages of Aboriginal people living in rural Victoria.

Meeting ACCO infrastructure needs will be necessary to meet the targets of Aboriginal-specific strategies such as the *Balit Murrup Social and Emotional Wellbeing Framework (2017-2027)* and the 10 Family Violence Service Plan developed by the Victorian Government.

Further, as the Aboriginal population of Victoria is growing at faster rates than the non-Aboriginal population and a greater percentage of Aboriginal people live in regional areas, there will be significant growth in demand for ACCO services in regional Victoria.. Targeting ACCOs for infrastructure investment will maximise the benefit of state spending, meeting the needs of regional communities, as well as stimulating economic and employment opportunities in the region.

Existing issues

Recently, \$5.4 million was awarded by the Victorian Government to VACCHO to address minor infrastructure needs amongst our Membership and gathering places. While appreciated, this funding amount did not meet the needs of VACCHO's Members, Associate Members and Gathering Places that the funding was directed to (over 40 organisations were eligible to apply to VACCHO for funding). The funding only enabled solutions to address critical occupational health and safety hazards and capacity issues, focusing on minor upgrades like installing cooling, phone lines and IT support. The need is far greater than this. VACCHO has had reports of Members having to place staff workstations in janitorial closets, portable buildings without heating or cooling. Due to the lack of clinical service space available in some of the Members facilities there are extremely long waiting periods for services due to lack of consulting rooms and staff facing the prospect of having to conduct initial client intake/ assessment sessions out of their organisations' vehicles.

Not only does this infrastructure bottleneck create enormous inefficiencies in service delivery, it also effects the health and wellbeing of staff and lack of access to vital services impacts progression towards closing the health gap between Aboriginal and non-Aboriginal Victorians.

Reality on the ground

A de-identified case study provided by a VACCHO Member illustrates these issues:

'ACCO X' is a small-medium size organisation located adjacent to a high-growth corridor in metropolitan Melbourne that employs 55 staff, 34 of whom are full time.

According to data presented by the Aboriginal Children's Justice Commissioner and the Australian Bureau of Statistics, rates of family violence and involvement with the Justice system are amongst the highest in the Victoria in this ACCO's catchment area. The percentage of people who are Aboriginal in this ACCO's catchment is higher than the state average, having grown from 0.5%-

0.8% over the last census period and the ACCO provides a range of supports to this community, including housing, early childhood, youth, mental health, primary health care, family services, aged care services and emergency food relief to name a few. The ACCO is experiencing increased demand on existing services and demand for an increased range of services, as a result of:

- sustained population growth
- brokerage of ACCO staff by mainstream organisations providing services to Aboriginal people (e.g. Aged Care supports)
- a range of government reforms including reforms related to the Family Violence Royal Commission and the policy of prioritisation of funding for ACCOs.

Project funding does not provide resources for capital works and infrastructure. In addition, funding for staff is focused on 'frontline services'. Consequently, the ACCO has limited staff capacity to source funding or develop funding submissions to address their infrastructure needs; and has increasing numbers of staff who are able to provide clinical and social welfare services, but no capacity to provide offices for them or space to conduct clinics and other program activities. In addition, this area has increasingly expensive land values, but no funding body which has a specific remit to support the infrastructure needs of organisations based in metropolitan areas. By contrast, a Rural and Remote Housing and Infrastructure Program (RRHIP) exists to support organisations in rural areas.

ACCO X recently submitted a proposal to VACCHO to cover the cost of a demountable structure which they intend to locate in their carpark, a creative but desperate measure to provide much needed operating space to enable staff to continue provision of existing services to clients. Without this space, staff face the prospect of delivering services in a park, public area, or as a last resort in inclement weather, sitting in a car for an hour.

Aboriginal Affairs Victoria Report

In 2012, Aboriginal Affairs Victoria commissioned an assessment of Victoria's Aboriginal Organisations' infrastructure needs. The final report, released in 2013, identified the need for the overhaul of funding processes with the goal of becoming more streamlined and consistent, a focus on asset ownership in line with self-determination, and most importantly, investment of over \$200 million in infrastructure. The report was not actioned and there has been very little investment in ACCO infrastructure by the Victorian Government since. VACCHO recommends Infrastructure Victoria and the Victorian Government use this assessment as a base from which to build a comprehensive infrastructure strategy alongside the Aboriginal community.

Population underestimate

The 2012-2013 assessment was based on population projections which estimated the Aboriginal population of Victoria in the year 2021 to be under 50,000, this has proven to be an underestimation with current projections for the same year of over 60,000. Due to the underestimation of the growth of the Aboriginal population, it is likely the 2012-2013 assessment underestimated the need for investment.

Inconsistent funding

The assessment found that to adequately meet the infrastructure needs of ACCOs in 2013, an immediate investment of \$146.468 million was required, with a further \$39.190 million for maintenance costs and \$17.866 for life cycle costs over the course of the next 10 years. This was never actioned.

The assessment also found that the majority of ACCOs exist on funding which is project based and therefore focused on project goals and service deliverables. It noted that infrastructure costs were historically not included in the estimated cost of service delivery. This means that ACCOs have little or no funding to invest in required infrastructure.

Further, as maintenance and lifecycle costs of existing infrastructure are not included in project funding, ACCOs are also left scrambling to cover the associated upkeep to maintain safe premises.

It was further noted that since funding the project-based funding mostly operates on short term cycles, the capacity of ACCOs to commit to long term leases and plan for the future was extremely limited. It noted that these arrangements have led to "ad hoc arrangements and ineffective infrastructure development". It recommended an agreed practice with Aboriginal organisations to be involved in the "planning, decision-making and contribution to infrastructure investment" and suggested options such as "direct ownership, co-location with mainstream providers or affordable lease arrangements".

VACCHO recommends that the Victorian government action this and establish an agreed practice in conjunction with ACCOs and assess sustainable and consistent options of infrastructure investment and funding with the view to creating a detailed growth and service plan for each member, and associated 40 year capital works plan to take into account property maintenance and each building's lifecycle. VACCHO further recommends prioritising investment in ACCO infrastructure, using the 2013 assessment and its cash flow analysis as a starting point.

Whole of government approach to streamlined funding

The assessment found that there was significant overlap, replication, and red tape in the funding process which significantly reduced the efficiency of ACCOs who had to dedicate much more time to seeking funding than might otherwise be necessary.

It was recommended that an Indigenous Infrastructure Investment Framework be created to guide investment in infrastructure. It was slated to consist of a transparent agreed practice between community organisations and all relevant ministries in a whole of government approach, which would streamline the infrastructure grant and funding process, with coordinated and established priorities, policies and channels.

VACCHO recommends that the Victorian government action this recommendation and work with ACCOs to establish an Infrastructure Framework.

Self determination

Self-determination for Aboriginal people is enshrined in various state legislation and State Government policy such as Section 12 of the *Victorian Children, Youth and Families Act 2005* and the *Victorian Aboriginal Affairs Framework 2018-2023*.

Asset management

In 2012, Aboriginal Affairs Victoria commissioned Sapere Research Group to conduct a *Review of the Management of Government Interests Over Aboriginal-Owned Properties*.

The review recommended a priority action to increase economic development of the Aboriginal community, was the “transfer of titles to Aboriginal organisations that have a proven track record in responsible governance and financial viability”.

This was based on their findings that first mortgage properties were detrimental to economic empowerment and self-determination. They found that, as “ownership of legal property is a tool to produce surplus value over and above the physical asset” and because Aboriginal organisations were denied “clear and enforceable property rights” Aboriginal organisations are limited in our ability to realise the value of properties or re-invest in other wealth generating activities that have not been approved. Further, it “limits the ability of Aboriginal organisations to use their properties in ways that would support their economic development objectives and limits opportunities for economic empowerment”. This is inefficient as, provided with capital and assets and the freedom to use them, Aboriginal organisations may be able to move into a place of financial sustainability, reducing reliance on constant government funding.

The Victorian government has transferred many first mortgage deeds to ACCOs, most notably, the transfer to Aboriginal Housing Victoria of first mortgages on Aboriginal social housing. Many ACCOs do not, however own their own properties and have issues with leases due to funding consistency issues mentioned above.

VACCHO calls on Government to explore options in concert with ACCOs to enable investment and build equity in their properties in order to achieve financial sustainability and consistency.

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