



DEPARTMENT OF
**FAMILY AND
COMMUNITY
SERVICES**

**Submission
to the
House of Representatives
Standing Committee on Primary
Industries and Regional Services
Inquiry into Infrastructure and
the Development of Australia's
Regional Areas**

The Family and Community Services portfolio

The Family and Community Services portfolio was established following the 1998 Federal Election.

The portfolio was created from the former Social Security portfolio, parts of the former Department of Health and Family Services and the Child Support Agency from the Australian Taxation Office. In addition, functions relating to family relationships were transferred from the Attorney-General's Department.

Agencies within the portfolio are the Department of Family and Community Services (FaCS), which includes the Child Support Agency, the Social Security Appeals Tribunal and the Commonwealth Rehabilitation Service; Centrelink; and the Australian Institute of Family Studies.

The portfolio brings together a range of key social policy and service delivery responsibilities focused on recognition of the family as the central component of a stable and cohesive society, the importance of economically and socially strong communities, and the need to encourage capacity-building and self-provision.

Strategic directions for FaCS

The Department has identified three key social policy outcomes on which its efforts are focused:

- ***Stronger Families*** - *In recognising the contribution of families to the overall health and well-being of individuals and society, assisting them to build their capacity and resilience*
- ***Stronger Communities*** - *Encouraging the development of community capacity for self-help, helping to ameliorate the effects of pressures on and within communities, and facilitating partnerships between business, community groups and governments to achieve well-targeted and tailored solutions to community needs*
- ***Economic and Social Participation*** - *Maximising the engagement of all Australians in society by enabling access and promoting opportunities to encourage economic and social participation, fostering a culture of self-reliance and providing an effective safety net.*

FaCS provides a wide range of assistance to individuals and communities including income support and related payments and a number of other support services (provided by FaCS directly or in partnership arrangements with other spheres of government and community groups). These include child care services, support for the homeless, family relationships services, assistance with housing (through the Commonwealth State Housing Agreement) and disability employment services.

Total outlays on FaCS payments and services is in the order of \$47.3 billion, comprising \$44.3 billion in social security payments and \$3 billion for other services.

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FaCS and the provision of infrastructure

The major emphasis of the Inquiry would appear to be on the role of physical infrastructure and the opportunities for stimulation of economic growth through the provision and operation of such infrastructure.

The FaCS portfolio is a major provider of *social infrastructure*.

Social infrastructure, ie, services such as child care, disability services, schools, hospitals, housing stock, services for the homeless, etc. are important social, and in many cases physical, assets for the community. Their provision can impact on the regional economy insofar as they create direct employment in community services, as well as facilitating the greater participation of individuals in the economic and social life of communities. For example the availability of accessible and affordable child-care has a direct impact on women's ability to participate in the workforce and disability employment programs increase the opportunities for workforce participation by disabled people.

The availability of adequate social infrastructure can influence the decisions of businesses to establish and households to settle in an area. On the other hand, it can be argued that the lack of access to social infrastructure contributes to the difficulties facing many small rural communities, in much the same way as do bank closures and shortages of doctors.

The provision and operation of social infrastructure represents important community resources which not only strengthen and contribute to the community's ability to function, but also to the community's productivity. From a FaCS perspective, the development of stronger communities depends substantially on the level of opportunity for economic and social participation by community members.

FaCS and rural and regional Australia

The following material outlines how FaCS programs contribute to the social infrastructure in rural and regional Australia. It includes a number of examples where specific measures have been introduced to better meet the particular needs of rural and regional Australians.

Supported Accommodation Assistance Program (SAAP)

The Commonwealth provides over \$129 million a year and the States and Territories \$101 million, to the Supported Accommodation Assistance Program for infrastructure and support services providing crisis intervention and stabilisation for people who are homeless and/or in crisis and to facilitate their re-entry to community life. In any given year over 100,000 clients, plus some 40,000 accompanying children are assisted through this program. An estimated 1.7 million instances of one-off assistance such as meals and showers are provided by SAAP agencies.

SAAP and Rural and Regional Australia

- *Services in rural and regional Australia number 544, or 46% of all services*
- *Total Commonwealth/State funding for services in rural and regional Australia totals \$80.963 million.*

Children's Services

The Children's Services Program (CSP) supports some 10,000 child care services providing almost 420,000 child care places. Of this, almost 2,200 services with some 82,000 places are located in rural and remote areas.

The Department works with State and local governments to encourage child care operators to establish in rural and remote areas and to develop innovative methods to meet the identified need for child care in these areas.

Children's Services in Rural and Regional Australia

In rural and remote areas access to mainstream child care services is supported through a range of measures:

- *Disadvantaged Areas Subsidy (DAS) for long day care community centres in areas where no alternative centre-based care is available;*
- *Disadvantaged Area Subsidy for rural/remote and isolated urban fringe Outside School Hours Care services;*
- *An additional 2500 Family Day Care (FDC) places targeting rural needs to be established by 2000-01.*
- *Additional funds provided for multifunctional children's services which deliver a mix of centre-based and family day care, occasional care and outside school hours care.*

In addition, 30 mobile services deliver child care in the form of playgroups and occasional care in remote areas. They also provide toy libraries and broader information and support for parents. Special services also include resource and advisory services that provide management support and advice, and children's services workers who assist communities to develop and maintain appropriate children's services.

A number of flexible funding and service delivery mechanisms have been developed to address needs of rural and remote communities in areas where mainstream models are not feasible. Funding is available for community/charitable organisations or local governments to establish and operate these services, with families and communities contributing through fees based on ability to pay, or other forms such as 'in kind' services. Funding for these services includes capital grants, operational funding, and Commonwealth Childcare Assistance, which in some cases is paid as 'block grants' directly to not-for-profit providers to enhance the viability of services.

Typically, these services are established in small rural communities and remote areas with dispersed population where high levels of need for formal child care have been identified but where private for-profit providers do not operate a service.

These flexible and innovative services can provide a mix of child care that best meets the needs of individual communities, in a form adapted to the local circumstances. Models developed to date include a range of services delivered from one site, mobile multipurpose services covering a number of communities, on-farm child care for isolated farm families, and multi-sited child care services with a mobile support unit

Family Relationships

Some 380 Family Relationship Service programs operate across Australia, although this varies from time-to-time. Of this, around 135 are located in rural and regional areas.

Family Relationship Services in Rural and Regional Australia

A Marriage and Family Relationships Distance Education Project in Rural Areas has been in operation since 1996/97. The project has three stages:

- *research into the needs of rural people in terms of marriage and relationship education services and into appropriate technology for delivering such services;*
- *development of prototype distance education materials based on the research findings; and*
- *piloting the materials and approaches in rural areas to assess their effectiveness.*

The outcomes of the project will include materials that it is expected can be recommended to family relationships service providers to increase service provision for rural and remote families; successful approaches to rural service delivery that can be emulated by service providers and stimulate the production of other specifically tailored materials; and insights into the most effective and least costly methods of distance education delivery in terms of the technology to be used and the staff back-up necessary.

The pilot stage of the project will test both the method of service delivery proposed, and the materials to be provided to clients. The model to be tested is centred around a video and accompanied by a brochure and a book on aspects of relationships. It provides for a telephone line that will, on request, provide information concerning marriage and relationship education and offer referral advice.

The three pilot sites, for this project are:

- *Toowoomba/Darling Downs*
- *Tweed Valley (NSW and South Coast Qld. Region), and*
- *Central and Northern Victoria (Bendigo, Echuca, Shepparton, Wangaratta and Wodonga).*

Housing

The Commonwealth provides housing assistance through both the social security system and through the Commonwealth State Housing Agreement (CSHA).

Rent Assistance is a non-taxable income supplement paid to social security recipients to assist with the cost of private rent. Rates depend upon the amount of rent paid and the size of the family unit. Total outlays on Rent Assistance for the 1997-98 financial year were \$1.484 billion, of which roughly \$600 million goes to regional areas.

As at September 1998, there were 940,460 singles and families receiving Rent Assistance. Of these, 42 per cent lived outside of the capital cities. Although average rents paid by Rent Assistance recipients are lower in areas outside the capital cities (\$103.23 pw compared to \$112.32 pw) the average amount of Rent Assistance paid to people living in regional areas is not substantially less (\$29.40 pw compared to \$30.02 pw for capital cities). This is because the current structure of the Rent Assistance program provides maximum assistance at relatively modest rents. Private renters living outside the capital cities tend to receive proportionally more assistance in relation to the rents they pay.

The CSHA is a formal agreement between the Commonwealth and the States and Territories for the provision of housing assistance. Administration of housing programs under the CSHA

is the responsibility of State and Territory governments while the Commonwealth is involved in setting strategic directions and priorities. The priority client group for public rental housing is people on low incomes, primarily those receiving social security payments.

Under the CSHA in 1998-99 the Commonwealth made available \$967.282 million to States and Territories. This included \$772.637 million in general funding primarily for the provision of public rental housing, \$91 million for the Aboriginal Rental Housing Program, \$63.990 million for the Community Housing Program and \$39.655 million for the Crisis Accommodation Program. Housing Ministers have agreed in principle to a new Agreement for the period July 1999 to June 2003.

The distribution of public housing is determined by State and Territory housing authorities in line with strategic directions agreed with the Commonwealth. In general, while there are relatively high levels of public housing in large non-capital locations, there are relatively small proportions of public housing in non-urban areas.

In contrast to the overall picture, a number of regional centres do have very high proportions of public housing. This usually reflects a previous period when housing was offered as an incentive for workers to relocate to particular regional industries. Many of these centres have seen major declines in employment in recent years and workers who were not home-owners have tended to leave the area. The surplus public housing has then been taken up by people from the cities because waiting list times were far shorter or even non-existent. Public housing, therefore, has saved a number of regional centres from the depopulation that might have otherwise occurred. In the process though, there has been a change in community identity and a number of issues associated with concentrations of disadvantage and distance from usual family supports. In some areas, the availability of excess public housing may make it hard for private landlords to let their properties at economic rents and this has been the source of some complaints.

When public housing was less targeted it was reasonably common for CSHA funds to be used to provide housing for government workers. The increased targeting has now meant that it is not regarded as appropriate to use the funds for these purposes.

Indigenous communities undoubtedly experience the greatest housing problems in regional Australia. Most of the \$91 million funding provided under the CSHA Aboriginal Rental Housing Program is directed to rural and remote areas where there is insufficient housing. About a further \$230 million is provided for housing and infrastructure through ATSIC. Despite substantial funding, progress in meeting the backlog of need has been very slow. The costs of building in remote areas is very high and, once built, large numbers of houses have not stayed operational. It is estimated that 40 per cent of the 12,000 homes provided for indigenous people in remote Australia are currently uninhabitable. Much of the problem can be traced to poor initial design and an emphasis on building new houses with too little attention to how communities could carry out the on-going maintenance work that would be required. The old "build and forget" policies are now being changed but addressing the problem will still require significant resources for a significant period of time.

Payments to individuals under the social security system

While not contributing directly to the provision of community infrastructure, the availability of income support and related social security payments represents a major contribution to supporting the needs of disadvantaged people in the community, and therefore should be recognised as an integral element in helping sustain the social fabric of communities.

Departmental research estimates that 15.8% of net personal income (after income tax) is derived from social security transfer payments. When account is taken of payments also made by the Department of Veterans Affairs and the Department of Employment, Workplace Relations and Small Business and Community Development Employment Program (CDEP) funds provided through the Aboriginal and Torres Strait Islander Commission (ATSIC), the proportion increases to 18.7%.

These outcomes are not evenly distributed across Australia. While 25% of the population live in locations where social security payments represent less than 11.6% of personal disposable income, a further 25% live in locations where it accounts for more than 21.1%.

Of particular relevance to this Inquiry is the contribution of social security payments in assisting individuals and families in rural and regional Australia. There is a much higher dependence on social security payments in non-capital city areas. Outside the capital cities 19.3% of personal disposable income is from social security payments compared with 14% in metropolitan areas.

Social security payments: flexible provisions for rural and regional areas

A range of flexible arrangements have been put in place within the social security system in recognition of the particular circumstance of customers in rural and regional areas, such as:

- *Activity Test and mutual obligation requirements for Newstart Allowance recipients are adapted to reflect reduced employment and training opportunities in rural areas.*
- *Flexible arrangements for medical assessments for Disability Support Pension (DSP) customers living in more remote areas.*
- *Telephone and/or fax lodgement of claims and reporting forms for a range of payments*

Other specific provisions which benefit people in rural/remote areas include:

- *Retirement Assistance for Farmers (RAFS) a specific measure to enable farmers to gift their farms to the younger generation without affecting their eligibility for immediate access to the Age Pension*
- *Remote Area Allowance (RAA) – a payment for which eligibility is determined on the basis of locational criteria according to tax zone rebate boundaries. RAA provides some compensation for higher costs of living in remote areas*

Services for the Disabled

The Department funds employment services, including rehabilitation, for people with disabilities under the *Disability Services Act 1986*.

The disability employment assistance program is one part of the Commonwealth's general labour market assistance and income support programs. The program complements the Commonwealth funded mainstream assistance program and assists in reducing dependency on the Commonwealth income support program.

The program aims to promote participation and choice in work for people with a disability, promote better employment outcomes for people with injury or disability, promote equity of access to services and support, and improve the accountability of purchasers and providers of employment assistance.

- *Employment assistance is provided by some 440 non-government organisations through some 880 service outlets and by CRS Australia through some 160 service outlets. Many outlets specialise in meeting the needs of indigenous people with disabilities, particularly in rural and remote locations.*
- *Over 10,000 people assisted live in a rural or remote region*
- *In 1998/99 the Commonwealth will spend \$330 million on specialist employment assistance for people with disabilities*

In addition the Department is currently conducting the More Intensive and Flexible Services (MIFS) pilot which aims to provide customised and flexible services to people in receipt of the Disability Support Pension who have severe, unstable or multiple disabilities. Services provided under the MIFS Pilot include case management, secondary rehabilitation, pre-vocational training and support services.

The Pilot is operating in two sites, both of which have coverage of regional and more remote areas, in Victoria and Queensland.

Positive results are being realised by the pilot in regional and remote areas due to the following factors:

- *the Pilot allows for suitable organisations located in more remote areas to be subcontracted for provision of services required by customers. Without the subcontracting arrangements, these customers might have been required to travel long distances in order to access these services;*
- *the Pilot reimburses the travel costs incurred by customers to participate in activities listed in their action plans; and*
- *the Pilot provides for case managers to conduct home visits for customers who are unable to travel to access this service.*

Child Support Agency

The Child Support Agency (CSA) is responsible for registering child support arrangements and for assessing the amount of child support to be paid following the separation of parents. Payment of child support benefits children in a number of ways, primarily by enabling the family to maintain a standard of living which supports their participation in the community.

Centrelink

Centrelink has the leading responsibility for, and the most extensive experience in, delivering Commonwealth services throughout Australia.

Centrelink's customers include the retired, sole parents, the unemployed, families, people with a disability, carers, widows, primary producers, students and young people. It brings together in one place the full range of social security services and payments, as well as employment referral services, childcare and aged care payments, and services to veterans and farmers.

Centrelink has a strong focus on improving the quality of service delivery to customers, particularly those residing in rural and regional Australia.

Centrelink in Regional and Rural Australia

Centrelink has established a comprehensive strategy to ensure that it services the needs of customers in rural and regional Australia as effectively as possible. Specific services in rural and regional areas include:

- *130 Customer Service Centres (out of a national total of 292) are in rural and regional locations;*
- *14 of the 22 Centrelink call centres (employing 1,950 staff) are located in regional centres; two new rural specific call centres were announced in the 1999 Budget, to be located in Maryborough (Qld) and Port Augusta (SA);*
- *a total of 261 contracted community based agents (of which 11 are partnerships with State governments and 141 are specifically targeted at assisting indigenous customers) who provide an information service and a contact point with Centrelink in rural and remote locations;*
- *139 mobile and visiting services to small or remote towns;*
- *a number of remote visiting teams servicing isolated indigenous communities; and*
- *a range of specialist officers providing specific advice tailored to the needs of rural and regional communities.*

The range of services outlined above includes 74 new agents and 11 new visiting services announced in November 1998 as part of a significant expansion in Centrelink's commitment to servicing rural and regional Australia.

Centrelink makes use of available technology to help provide an efficient service to rural customers. This includes use of laptop computers by visiting teams enabling direct access to the Centrelink computer system, remote fax lodgement of applications and the Centrelink Internet web site.

In addition to the above network of existing services, Centrelink is exploring opportunities for developing more formal links for the provision of services through local government, credit unions, or community networks. Discussions have taken place with organisations such as Australia Post, the Post Office Agents Association Limited and Creditcare to initiate opportunities for cooperative working arrangements.

Centrelink is also cooperating with State government departments to bring government services together at accessible locations wherever practical. In particular this has capitalised on the opportunities provided by recent State Government initiatives aimed at establishing networks of "One Stop Shops", or enhancing the level of IT infrastructure through rural locations. Current partnership arrangements now exist with the NSW agent network, the WA State funded Telecentre network, Service Tasmania, and the South Australian Rural Communities "Ruralink" Service Centres.

CONCLUSION

This submission outlines the significant contribution of the FaCS portfolio to the provision of social infrastructure in communities across Australia. This is particularly important in rural and regional communities where opportunities for economic and social participation are generally different from urban areas.

A frequently expressed concern is that rural and regional locations miss out on government services because they lack the critical mass of clients to sustain standardised service models which are generally defined according to parameters appropriate to metropolitan or larger urban areas. A further concern, also related to the critical mass issue, is that government services are generally delivered through program structures with a specific focus, and inevitably there will be cases which fall outside, or between program boundaries. This is particularly so in the case of rural and regional locations which have the same breadth of needs as urban areas, but without the depth of population to ensure ongoing service viability.

There is a need for greater flexibility in the design and operation of government services, particularly in the area of social infrastructure, in order to address the above concerns and better meet the diverse needs of people and communities in rural and regional areas. In addition to flexibility within services, there is a need for flexibility between services, such that various program activities can better work together to provide holistic responses to local needs.

The creation of the FaCS portfolio presents a new opportunity to look at these issues and develop responses.

Within the context of the three key strategic policy outcomes identified for the Department, FaCS will be placing emphasis on the need for all its program activities to adopt a focus on broad social outcomes (eg stronger communities) as complementary to the specific outcomes for individual programs.

In addition, because of the breadth of the Department's own program activity, and the close linkages with other social infrastructure programs delivered by other portfolios and other spheres of government, FaCS sees itself as having a responsibility to take a leadership role in developing 'whole of government' frameworks and working partnerships for developing and delivering good social policy solutions in disadvantaged locations.

In developing this emphasis on broader social policy outcomes and flexible locally based solutions, FaCS is attaching a high priority to addressing the particular needs and circumstances of individuals, families and communities in remote, rural and regional Australia.