The Neighbourhood House Coordination Program

Building self-reliant and inclusive communities

ANHLC State Budget Submission 2014-15
Executive Summary

The Victorian Government invests $22.6 million per year in the Neighbourhood House Coordination Program (NHCP) to support families, individuals and communities in 372 locations across Victoria.

The Association of Neighbourhood Houses and Learning Centres maintains the current funding regime has a number of critical weaknesses and historical anomalies that successive state governments have failed to address. Funding remains largely ad hoc and does not factor in local need. The NHCP also lacks flexibility to respond to change, such as in the case of communities that are growing, recovering from loss of major industry and/or dealing with natural disasters.

In recognition of the tight fiscal climate facing Victoria, this submission is framed around the concept of a rescue package aimed at addressing key pressure points in the Neighbourhood House sector. It contains five targeted recommendations for immediate action.

Recommendations one to four are directed at the Victorian Department of Human Services and concern the operation of the Neighbourhood House Coordination Program.

Recommendation five is directed at the Victorian Department of Education and Early Childhood Development and concerns the reinstatement of the state government’s portion of funding for community-based occasional care.

These recommendations, while modest in cost, would deliver significant benefits to Victorian communities. They would assist Neighbourhood Houses to continue to provide real opportunities for economic and social participation, and better meet community needs. They would also strengthen Neighbourhood Houses’ capacity to collaborate and partner, delivering on the government’s vision for integrated services that focus not on problems and programs but on people and place.

Recommendation 1
Introduce a minimum Neighbourhood House funding level of 20 hours per week for the 39 Neighbourhood Houses currently funded below this viability threshold, the majority of which are in rural Victoria.

This will:

- Engage 4,990 participants per week in new opportunities for social, community and economic participation (a 313% increase)
- Leverage an additional $3,377,670 associated with new programs into 39 communities (a 704% increase)
- Result in an additional 378 hours’ use of community infrastructure (a 19% increase).

Cost in 2014-15: $831,000

---

1 Data is drawn from the ANHLC publication 2012 Neighbourhood House Survey.
2 In all cases, individual participants may attend more than once.
3 All costings assume annual indexation of 2%, together with 4.67% pay equity increase from Dec 1 each year, over current funding levels.
Recommendation 2
The Victorian Government establishes a growth component as part of the Neighbourhood House Coordination Program to deliver five new Neighbourhood Houses per year.

Funding a minimum of five new Neighbourhood Houses per year would be a significant step in meeting needs in growing and/or changing communities. This would result in:\n\- Over 15,700 participants per year engaged in new opportunities for social, community and economic participation
\- 19,760 new contracted hours of NHCP program and activity delivery per year
\- An additional $1.1 million in programs and services leveraged into five communities.

Cost in 2014-15: $494,000

Recommendation 3
Provide additional funding to Neighbourhood House Networks to address the most acute shortfalls in support in geographically dispersed and remote areas.

This will deliver 27.4 additional hours of governance and management support per week to staff and voluntary committees in 71 Neighbourhood Houses in five rural networks, each of which cover more than 20,000 km².

Cost in 2014-15: $71,100

Recommendation 4
Increase funding to ANHLC to strengthen sector-wide capacity building, particularly in the area of partnership development.

A modest investment will resource ANHLC to further strengthen the evidence base for the value of NHs, build on knowledge management in the sector, strengthen capacity for strategic partnership development and leverage additional funding to benefit the NH sector as a whole.

Cost in 2014-15: $89,000

Recommendation 5
That the Victorian Department of Education and Early Childhood Development stands by its commitment to reinstate its share of funding for community based occasional child care in light of the Federal Government’s decision to reinstate its funding share.

A modest re-investment of approximately $0.9 million to match the Federal Government’s projected contribution of $1.2 million targeted to areas of highest need would increase the viability of occasional child care services and prevent further service closures, providing support for adult learners and workers in these communities.

Cost in 2014-15: $900,000

---

\(^4\) 2012 Neighbourhood House Survey, op cit.
1. Introduction

The Association of Neighbourhood Houses and Learning Centres (ANHLC), the peak body for 400 Neighbourhood Houses and Learning Centres (NHs) and 16 regional Neighbourhood House Networks (NH Networks) across Victoria, makes this submission on behalf of its organisational members, which comprise over 90 per cent of the sector.\(^5\)

Neighbourhood Houses and Learning Centres are the heart of Victorian communities. They enable people of all walks of life, abilities, backgrounds and ages to come together to meet, share, participate and learn in a supportive environment.

Neighbourhood Houses are volunteer-driven, local not-for-profit organisations that deliver opportunities for networking, volunteering, skills development and training. They enhance wellbeing by keeping people engaged, healthy and active. They care for Victoria’s children and assist volunteers to give back to their communities. During and after times of crisis such as natural disaster or loss of major industries, NHs play a key role in recovery and strengthening community resilience.

Evidence of the success of NHs in engaging disadvantaged and at risk populations is demonstrated by data gathered in a NH participant census undertaken in August-September 2013. Of 46,720 individuals who took part in the survey:

- 74% are female
- 1.5% identify as Aboriginal or Torres Strait Islander (compared with 0.9% of the population in Victoria)\(^6\)
- For 17.9%, English is not the first language spoken at home (compared with 19.6% of the general population in Victorian\(^7\)
- 20.4% identify as having a disability or long-term impairment (compared with 18% of the total population)
- 52% have a healthcare or other concession card.

The Victorian Government invests $22.6 million per year in the Neighbourhood House Coordination Program (NHCP). This delivers significant, measurable benefit to families and individuals in 372 local communities throughout Victoria, and enhances the capacity of NHs to work in partnership with government at all levels to build strong, safe, inclusive communities where people feel pride and a sense of belonging.

The current government has inherited a NHCP funding regime with a number of critical weaknesses and historical anomalies:

- Funding is largely ad hoc and does not factor in local community need, circumstances such as relative disadvantage or even population size.
- The program lacks the flexibility to deal with change, such is the case with communities that are growing communities or recovering from natural disasters.

\(^5\) The Victorian Government funds 372 NHs through the NHCP. ANHLC records show there are approximately 400 NHs across Victoria; ANHLC has a membership of 360+ NHs.  
\(^6\) 2011 ABS data
\(^7\) While CALD engagement is slightly below background population level, the survey as it was not available in community languages and thus CALD communities may be underrepresented.
While keeping these issues strongly in mind, in recognition of the tight fiscal climate facing Victoria, this submission is framed around the idea of a rescue package aimed at addressing key pressure points in the NH sector. It contains five targeted recommendations for immediate action.

Recommendations 1-4 are directed at the Victorian Department of Human Services (DHS) and concern the operation of the NHCP.

Recommendation 5 is directed at the Victorian Department of Education and Early Childhood Development (DEECD) and concerns the reinstatement of the state government’s portion of funding for the community based occasional care program. We would stress that while DEECD is the funder for occasional care, multiple departments have an interest in a healthy child care system.

Implementation of all the proposed reforms set out in this submission, though modest in cost, constitute significant steps to ensuring the ongoing capacity of NHs to provide real opportunities for economic and social participation, placing government investment in this area on a much sounder footing.

The total cost for the full package of reforms over the next three years proposed in this submission is set out in Table 6 at the end of this submission.

2. Minimum funding threshold for Neighbourhood Houses

**Recommendation 1**
Introduce a minimum Neighbourhood House funding level of 20 hours per week for the 39 Neighbourhood Houses currently funded below this viability threshold, the majority of which are in rural Victoria.

**Issue being addressed**
There are 39 Neighbourhood Houses in Victoria funded at a counterproductive and unsustainable level of 10-15 hours a week. The vast majority, 26 out of 39 NHs in this category, are in rural and regional communities, including some affected by recent floods and bushfires. Six are in growth areas of greater metropolitan Melbourne.

**Commentary**
Research conducted by the sector and the then Department of Planning and Community Development Regional Teams in 2009-10 identified a minimum viability threshold for funding NHs of 20 hours per week. Houses funded below this level are far more likely to experience difficulty, placing stress on voluntary committees, networks and regional staff.

It is only at the level of 20 hours of funding per week that NHs have capacity to leverage sufficient finance from other sources to create additional employment opportunities and manage risk, thus enabling them to deliver sustainable community programs and equipping them with the resilience to support communities in times of crisis. Funding an additional 320 NHCP hours for these NH will see an exponential growth in the outcomes for these communities and for government.

Table 1 shows the predicted outcomes from the investment based on a comparison between the current outcomes of NHs funded at 20 hour per week and those funded below 20 hours.
**Table 1**

Benefits of rescue package for Neighbourhood Houses funded below 20 hours/week

<table>
<thead>
<tr>
<th>Measure</th>
<th>Outcomes for NHS receiving &lt; 20 hrs./week NHCP</th>
<th>Outcomes for NHS receiving 20 hrs./week NHCP</th>
<th>Percentage difference</th>
<th>Projected Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median number of visits per week for social, community and economic participation</td>
<td>90</td>
<td>218</td>
<td>313%</td>
<td>4,992 additional visits for social, community and economic participation/week</td>
</tr>
<tr>
<td>Median participants in activities per week</td>
<td>46</td>
<td>160</td>
<td>248%</td>
<td>4,446 additional participants in activities/week</td>
</tr>
<tr>
<td>Average number of program sessions run per Neighbourhood House per year</td>
<td>452</td>
<td>1490</td>
<td>229%</td>
<td>40,480 additional program sessions per year</td>
</tr>
<tr>
<td>Median additional funding leveraged into the Neighbourhood House per $1 of NHCP*</td>
<td>$0.25</td>
<td>$2.01</td>
<td>704%</td>
<td>$3,377,670 additional income associated with new programs leveraged into 39 communities*</td>
</tr>
<tr>
<td>Average number of hours a Neighbourhood House is in use per week</td>
<td>44.2</td>
<td>53.9</td>
<td>19%</td>
<td>378 additional hours of Neighbourhood Houses in use per week</td>
</tr>
<tr>
<td>Average number of hours a Neighbourhood House is staffed and open to the public</td>
<td>36</td>
<td>44.8</td>
<td>24%</td>
<td>343 additional hours of staffed open time</td>
</tr>
<tr>
<td>% of ACFE providers*</td>
<td>15.4</td>
<td>48.3</td>
<td>213%</td>
<td>12 potential new providers of pre-accredited training with ACFE funding</td>
</tr>
</tbody>
</table>

*Projections assume increased uptake of ACFE provider status

**Cost**

The cost of raising the minimum funding threshold to 20 hours per week for the 39 NHs currently funded below this level is approximately $831,000 in 2014-15. See Table 2 for total cost over three years.

**Table 2**

Cost of raising minimum funding threshold to 20 hours per week

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>Total cost over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$830,812</td>
<td>$879,088</td>
<td>$930,170</td>
<td>$2,640,070</td>
</tr>
</tbody>
</table>
3. The need to establish a growth component

Recommendation 2
The Victorian Government establishes a growth component as part of the Neighbourhood House Coordination Program to deliver five new Neighbourhood Houses a year.

Issue being addressed
There is no mechanism in the NHCP to fund new NHs as they emerge in response to community need or the establishment of new communities in growth areas.

Commentary
Until now there has been no mechanism in the NHCP for funding new NHs as they emerge in response to community need. There are currently 29 known NHs in Victoria not in receipt of NHCP funding. Thirteen of these are in Melbourne’s fastest growing local government areas.

Myriad research in Victoria and internationally demonstrates the economic, social, health and mental health benefits of community connection. When it comes to new communities in growth areas, lessons learned from 13 new communities in the UK showed ‘a strong link between mental ill health and lack of social ties in a new environment’, with recommendations that ‘decision-makers and developers must ensure that resources are made available to promote social cohesion at the same time as building the physical environment’. The value of the NH model is demonstrated by the fact that communities consistently seek to establish new NHs. Establishing a NH requires significant passion and commitment. This drive is currently frustrated by lack of growth in the NHCP. For example, a new NH emerged in Charlton in the aftermath of the devastating floods of 2011 but is unable to access NHCP funding to grow and develop.

ANHLC proposes a growth fund allocation for five new NHs each year where they are compliant with the eligibility requirements of the NHCP, to ensure services and opportunities are made available to people no matter where they live. Five new Neighbourhood Houses each year contracted for a total of 190\(^9\) hours of NHCP/week would lead to:

- Over 15,700 participants per week engaged in new opportunities for social, community and economic participation.
- 19,760 new contracted hours of NHCP programs and activities per year.
- An additional $1.1 million in programs and services leveraged into 5 communities.
- 29,120 new hours of employment in 5 communities per year.
- 15,340 additional volunteer hours per year.
- 220 new volunteer places.\(^{10}\)

Cost
The cost in 2014-15 is $493,300. Costs over three years are provided in Table 3.

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-15</th>
<th>2016-17</th>
<th>Total cost over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>$493,295</td>
<td>$1,043,971</td>
<td>$1,656,865</td>
<td>$3,194,077</td>
<td></td>
</tr>
</tbody>
</table>

\(^8\) Goh, C. and Bailey, P (2007) *The Effect of the Social Environment on Mental Health*. Cambridgeshire PCT

\(^9\) Averaged at 38 hours per week per NH and including additional NH Network Costs.

\(^{10}\) *Neighbourhood House Survey 2012*, op cit.
4. Capacity building for quality and sustainability

4.1 Provide supplementary funding in geographically dispersed and remote areas

Recommendation 3
Provide additional funding to Neighbourhood House Networks to address the most acute shortfalls in support in geographically dispersed and remote areas.

Issue to be addressed
Volunteer NH Committees of Governance in the most isolated rural communities receive inadequate levels of operational and governance support due to underfunding of support networks. The introduction of a 0.5 loading to rural NH Networks would ensure 71 volunteer committees in these communities receive better levels of operational and governance support.

Commentary
The NH sector has a unique three-tiered structure. In addition to the peak body and individual NHs, there are 16 regional NH Networks, ten in rural and regional Victoria and six in greater metropolitan Melbourne.

NH Networks are funded to support NHs in governance and management, program planning and delivery, community development practice, and community education. NH Networks also facilitate regional collaboration on issues, needs analysis and projects among the membership, and represent regional issues and needs to ANHLC, local government and state government. Networks play a particularly important risk management role through induction, training and troubleshooting.

However, the NHCP funding formula for NH Networks was poorly conceived and is both inadequate and inequitable. NH Networks are funded at 0.75 hour per NH, plus five hours per week of administration time per Network. The added cost of service delivery in rural areas in not taken into account, nor are the demands of supporting vulnerable and changing communities.

Most critical is the failure of the current funding formula to address the issue of distance in rural Networks. The geographic area covered by NH Networks ranges from less than 250 km² to over 40,000 km², with five NH Networks each covering a total area of more than 20,000 km².

While ANHLC and the Networks have made significant advances trialing electronic networking and meetings, these alternatives are least viable in the most geographically dispersed networks due the variability of telecommunications infrastructure and cost of Internet access.

Furthermore, a degree of travel and face-to-face interaction remains necessary given the nature of the work. Recent experience from the Barwon region shows that the best way to strengthen community governance is to provide personalised, face-to-face support. The NH Networks provide an effective means to do this, but are under-resourced.

The introduction of a 0.5 loading will substantially address this problem. A rural loading for NH Networks is consistent with the rural loading applied to Vocational Education and Training courses delivered in rural Victoria, often by NHs, 65% of which are Learn Local organisations.

11 Lessons learned from the Club Help initiative supported by the G21 group in the Barwon region show capacity is built when regionally delivered training is followed up by direct support to committees. Pre- and post-test assessments demonstrate effectiveness of the approach. Christine Brooks, personal communication.
Introducing a 0.5 loading to the largest, most remote networks will add an additional 27.4 hours per week of support to 71 funded NHs. This modest funding boost will enable a range of network activities that have been impossible to date due to the convergence of low funding levels and the tyranny of distance. Increased funding would enable:

- Induction of new key staff and committees of management
- Facilitate provision of committee and staff training activities
- Provision of support when NHs experience difficulty
- Assistance with recruitment, submissions, planning, community engagement and needs analyses
- Linking NHs to more potential partners, resources and each other.

**Cost**

This will cost $71,100 in 2014-15. Costs associated with this reform over three years are outlined in Table 4.

<table>
<thead>
<tr>
<th>0.5 loading to base funding for 5 networks &gt; 20,000 km</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>Cost over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>$71,073</td>
<td>$75,203</td>
<td>$79,573</td>
<td>$225,850</td>
<td></td>
</tr>
</tbody>
</table>

4.2 Better resourcing of the peak body

**Recommendation 4**

Increase funding to ANHLC to strengthen sector-wide capacity building, particularly in the area of partnership development.

**Issue**

Potential sector-wide benefits of government funded projects and grants are being lost due to underinvestment in the NH peak body, the organisation best placed to collect and disseminate findings, and to plan and implement new strategic projects.

**Commentary**

With a small staff of 4.3 full-time equivalent permanent positions, ANHLC provides sector leadership, advice and support to over 360 members to enhance quality service development and delivery, and to raise the profile of NHs as partners in community development and adult education. We also bring to the sector the results of our research and analysis of the external environment to identify potential opportunities for program development and partnership.

Within its current capacity, ANHLC conducts research into policy areas relevant to the work of NHs, provides input into government inquiries and working groups on behalf of the NH sector, and develops projects and partnerships designed to benefit the sector as a whole. Tasks carried out by ANHLC that would be strengthened by additional funding include:

---

The Neighbourhood House Networks Good Practice Guide has identified a range of ways in which NH Networks can support NHs if they are adequately resourced.
**Building the evidence base**

In 2011, ANHLC received project funding to work in collaboration with DHS to develop an enhanced dataset for NHCP reporting, based on an existing ANHLC annual members’ survey, to build the evidence base for investment in the NHCP. Since 2012, reporting data for NHCP funded NHs has been integrated into what is now known as the Neighbourhood House Survey. At present, ANHLC relies on annual one-off grants to collect and report on this data on behalf of DHS. ANHLC sees this enhanced data collection process as key to strengthening the quality of NH operations across the state.

**Innovative program development and implementation**

In collaboration with the regional NH Networks, ANHLC has established two online repositories to resource NHs. The Neighbourhood Houses ICT website\(^{13}\) was an initiative of ICT capacity building projects (2010). The Neighbourhood House Web Library\(^{14}\), is a collaborative project led by the Upper Murray NH Network, funded through a Modernising Neighbourhood Houses grant (2011).

ANHLC aims to build on the great foundations established by these projects to help establish an ‘Inspiration Bank’ to document excellence in NHs projects and initiatives, which can then be adapted for implementation by other NHs. It is envisaged that such a resource bank would help NHs develop funding submissions to philanthropic trusts through the newly established Public Fund for DGR administered by the national peak, the Australian Neighbourhood Houses and Centres Association (ANHCA).

**Partnerships and profile raising**

In light of the Victorian government’s community sector reform agenda, ANHLC aims to better resource members to engage in effective partnerships within and outside the sector. This includes exploring shared governance arrangements and collaboration for improved efficiency.

The ANHLC Strategic Plan 2011-15 has as one of its goals to ‘build and promote a positive sector image to engage communities and other stakeholders’ with a view to making them aware of NHs existing contribution to community strengthening and their potential as partners. However, marketing, strategic projects and partnership development are difficult to sustain at current staffing levels, particularly when it comes to dealing with the private sector, which relies on the capacity of organisations to respond rapidly and dedicate staff time to their projects.

**Cost**

A modest investment in the peak body of $89,000 in 2013-14 will resource ANHLC to further strengthen knowledge management in the sector, build strategic partnerships and leverage additional funding to benefit the NH sector as a whole. See Table 5 for costs over 3 years.

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>Total cost over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$89,000</td>
<td>$94,169</td>
<td>$99,641</td>
<td>$282,810</td>
</tr>
</tbody>
</table>

---

\(^{13}\) See [http://neighbourhoodhousesict.wordpress.com/](http://neighbourhoodhousesict.wordpress.com/)

5. Reinstatement of the Victorian government’s share of occasional childcare funding

**Recommendation 5**

That the Victorian Department of Education and Early Childhood Development stands by its commitment to reinstate its share of funding for community based occasional child care in light of the Federal Government’s decision to reinstate its funding share.

**Issue**

Flexible, affordable occasional child care delivered through Neighbourhood Houses removes barriers to adult learning, ‘linking parents to other services, work experience in child care [and] pathways to other support services’\(^{15}\). In remote rural communities, NHs are often the only providers of centre-based childcare. Multiple government departments have an interest in maintaining a healthy occasional child care system, but successive funding cuts and program changes threaten its viability.

**Commentary**

Despite the occasional child care program’s demonstrated benefits\(^{16}\), in May 2010 the then Federal Labor Government cut funding to Neighbourhood Model Occasional Child Care, which in Victoria subsidised the Take A Break (TAB) occasional childcare program. The Victorian Government subsequently cut the remaining funding to the program in December 2011, vowing to restore the funding if the Federal government restored its share.\(^{17}\)

The cuts have had a significant impact on the viability of occasional childcare services across Victoria: up to 20 per cent of NHs previously in receipt of TAB funding have closed their child care service since 2011\(^{18}\). This impact has been worst in non-metropolitan areas.

In 2013, the Victorian government announced it was replacing the ACFE Childcare Program with the Family Learning and Support Program. While ANHLC understands and accepts the rationale for these changes, further occasional child care service closures are likely to result as an unintended consequence of this policy change. ANHLC’s analysis suggests services most vulnerable to closure are 15 providers in small rural communities with no alternative centre-based child care. A further 38 services are at risk, 11 of these in rural and regional Victoria. The Federal Coalition has committed to reinstate the funding for Occasional Care Child Care “where State and Territory governments commit to meeting 45 per cent of the cost.”\(^{19}\)

**Cost**

A modest re-investment of the state government’s previous contribution of $0.9 million to match the Federal government’s projected contribution of $1.2 million targeted to areas of highest need would increase the viability of occasional child care services and prevent further closures, providing support to families, workers and adult learners in these communities.

---


\(^{16}\) Butlin et al, 2007: 6


\(^{18}\) ANHLC, ‘Survey Snapshot Update: Child care providers previously funded by Take A Break,’ unpublished report, March 2012

\(^{19}\) *The Coalition’s Policy for Better Child Care and Early Learning,* September 2013. Available online. Accessed 21 October 2013
### Table 6
**Timing and cost of full reform to NHCP funding**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>Total over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase funding for 39 NHs to 20 hr./week</td>
<td>$830,812</td>
<td>$879,088</td>
<td>$930,170</td>
<td>$2,640,070</td>
</tr>
<tr>
<td>Provision for 5 new unfunded Houses per year</td>
<td>$493,295</td>
<td>$1,043,917</td>
<td>$1,656,865</td>
<td>$3,194,077</td>
</tr>
<tr>
<td>Loading for rural/remote NH Networks</td>
<td>$71,073</td>
<td>$75,203</td>
<td>$79,573</td>
<td>$225,850</td>
</tr>
<tr>
<td>Investment in ANHLC</td>
<td>$89,000</td>
<td>$94,169</td>
<td>$99,641</td>
<td>$282,810</td>
</tr>
<tr>
<td>Reinvestment in occasional childcare</td>
<td>$900,000</td>
<td>$918,000</td>
<td>$936,360</td>
<td>$955,087</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,384,180</strong></td>
<td><strong>$3,010,378</strong></td>
<td><strong>$3,702,609</strong></td>
<td><strong>$7,297,894</strong></td>
</tr>
</tbody>
</table>