

SACOSS Pre-budget Briefing Note.

Our election & pre-budget advocacy

Every South Australian should be able to access life's basics: this is the primary message SACOSS took to the recent SA State Election, and it will continue to drive and inform our advocacy over the months ahead.

Pre-election, we made some key recommendations about what the State Government can do to address some of these fundamental areas, and we welcome a number of the commitments made by SA Labor during this time. However, it is clear that there is still much more to do, and we look forward to engaging with the new government on these critical issues.

SACOSS will examine the upcoming State Budget using the lens of our 'cover the basics' advocacy, and the key action areas we have identified pre-election. We're looking for budget measures that make a genuine difference for people struggling with poor health, low incomes, housing challenges, and insecure work.

We have seen inequality growing but remain optimistic that greater-than-predicted GST and other revenue inflows over 2022-23 improve the State Government's financial position, thereby enabling the new government to invest in a whole series of measures that address poverty and disadvantage.

What are the basics?

While there is much that is needed to properly address poverty and disadvantage, our *Cover the Basics* campaign focuses on six key areas:

- Improving rental affordability by significantly investing in the net stock of public housing;
- Increasing investment in illness prevention and public health;
- Ensuring fair access to concessions;
- Urgently ensuring that everyone in SA has access to safe, reliable and affordable drinking water (which is currently not the case for some regional and remote communities);
- A plan and sustained investment in digital inclusion, to ensure that no South Australian is left behind as we move into an increasingly digital world;

- A suite of proposals to protect and support South Australians facing poverty, financial hardship, and vulnerability, including people most at risk from the impacts of climate change and natural disasters.

We look forward to positive budget commitments in this budget, and in years to come, to address these critical areas, so that people are not left desperately begging to get the basics covered.

Where some basics will be better covered

Based on our analysis of Labor's Election Costings and announcements, SACOSS welcomes the following measures as downpayments in areas where much urgent work is required:

Housing and homelessness initiatives: Building more public housing, and upgrades (\$181m); homelessness support services (\$6m).

Cost of living initiatives: A comprehensive review to fix the concessions system; Cost of Living concessions (\$37.7m); Out-of-Areas Registration concession reinstatement (\$12m); and free public transport to seniors cardholders (\$5.25m).

Health initiatives: SACOSS particularly welcomes commitments to establish an Independent Preventative Health Agency and expand the Health Performance and Information Council. Also, two measures to ensure the voices of health consumers are better heard (\$800,000 each over 4 years). We note major funding commitments focus on hospital and mental health infrastructure, workforce, ambulance services and community pharmacies (\$1.145bn, includes Commonwealth Revenue).

Climate change initiatives: environment initiatives (\$27.4m); bushfire prevention and firefighting (\$3.225m); and fire truck replacement and maintenance (\$14.25m).

Child wellbeing and protection: \$7.5m has been allocated to Child Protection Grants, and \$800,000 announced for the CREATE Foundation, to support young people leaving care.

Indigenous Treaty and Recognition Package: \$4.1m.

What else is needed?

SACOSS remains concerned about a number of areas of basic need on which more action is critically needed:

Rental affordability and public housing: The Government's commitment of \$187 million for housing and homelessness initiatives is a positive start, but falls significantly short of what is required to address the current rental affordability crisis. SACOSS has called for a significant investment to increase the net stock of public housing (of at least \$1.4bn over four years). We also propose a range of other measures including: Cost of Living concession equity for renters; a targeted energy efficiency program for public and community housing tenants; and minimum energy efficiency standards and mandatory disclosure for private and public rental properties.

Digital inclusion: We need a plan and sustained investment to ensure no South Australian is left behind in the digital world. Digital inclusion demands affordability, public infrastructure and technology, and help to develop the skills needed to keep pace with new technologies. SACOSS continues to call for an immediate \$120m investment to implement a strategy to reach these goals.

Cost of living initiatives pledged by Labor are a step in the right direction but can still be better targeted to those who are most in need. SACOSS remains committed to ensuring our system of concessions is fixed so that everyone in South Australia who needs concessions can access them. This includes extending concessions to better support people who need it (e.g. cost of living, public transport, and ambulance cover) and broadening of concessions eligibility.

Public health initiatives: With some notable and positive exceptions, the new Government's health initiatives are dominated by a focus on the tertiary health system. In order to improve health outcomes, there also needs to be an increased emphasis on public health and illness prevention initiatives, including a commitment to a minimum of 5% of health expenditure to be directed towards disease prevention and health promotion.

Water security: We need to ensure that all South Australians have access to safe, reliable and affordable drinking water. This means fixing drinking water supply to regional and remote South Australia.

Climate change and disaster relief: SACOSS remains determined to ensure there is greater action to address the impacts and implications of climate change. We are calling for a range of measures, including the establishment a Disaster Resilience and Risk Reduction Fund with an initial investment of \$5m.

Impact of Efficiency Dividends

Labor's election costings identify an 'efficiency dividend' of 1.7 per cent to be applied to a range of departments in 2022-23 against general government sector agencies' net cost of services – excluding Health, Education, Police, Child Protection, TAFE, Courts and Emergency Services. In principle, we are concerned about this method of budget saving as it lacks transparency.

SACOSS remains deeply concerned that key departments relevant to the community sector's constituents are not quarantined, and fears cuts to programs of concern to us across departments such as the Department of Human Services; Department of Environment and Water; and the Arts and Cultural Policy & Support program within the Department of Premier and Cabinet. These programs provide vital services, and we are concerned that 'efficiency dividend' cuts would put considerable pressure on already-stretched services and support programs, with negative outcomes for low-income households and people facing poverty.

More information: www.sacoss.org.au/basics