

JUNE 2, 2022

# State Budget Snapshot

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2022-23



# Introduction

This Budget Snapshot provides a quick summary of SACOSS' 'Budget Day' response to the 2022-23 South Australian State Budget.

The Snapshot summarises expenditure changes and new policy measures in areas of interest to marginalised and disadvantaged South Australians and to the non-government health and community services sector. The Snapshot provides an assessment of whether each Budget Measure is welcomed; of interest but requiring more information; or reflects a missed opportunity.

SACOSS will publish a more comprehensive budget analysis in the coming days which will include:

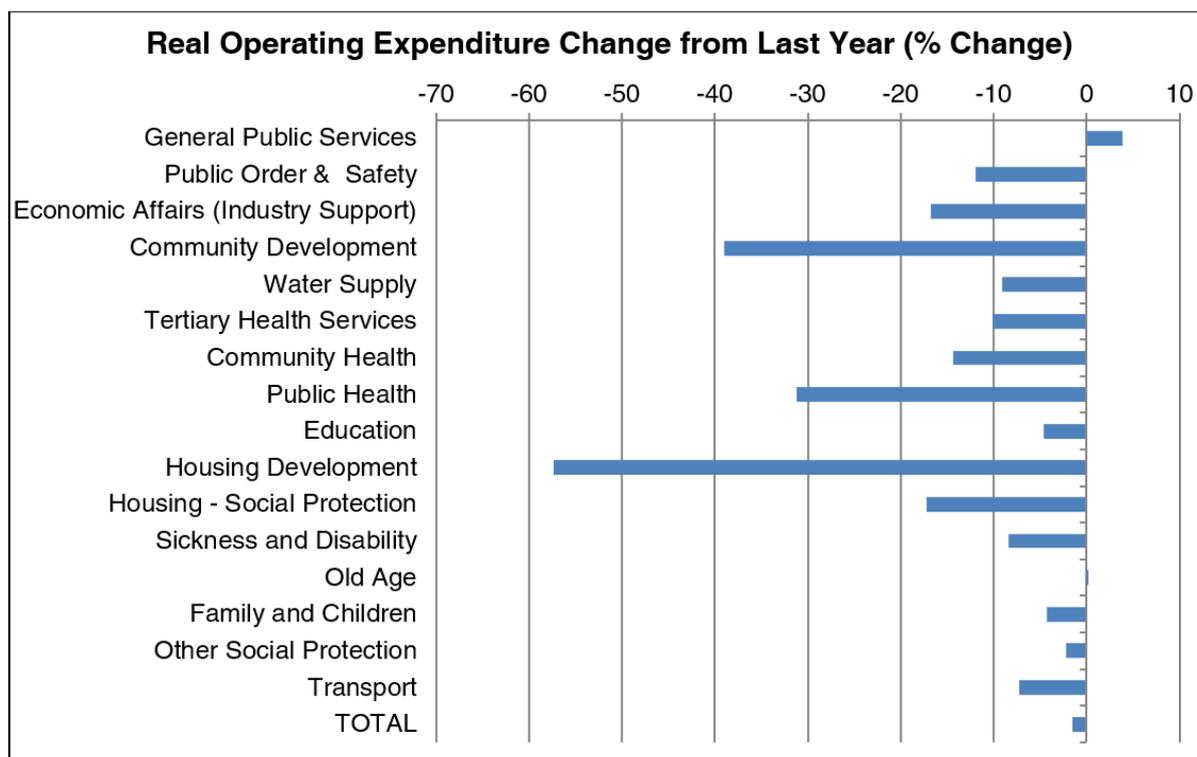
- a summary of economic trends and macro-economic indicators underpinning the budget;
- analysis of long-term revenue and expenditure data;
- more detailed commentary on budget measures highlighted in the Snapshot and an analysis of the extent to which the measures respond to the basic needs of marginalised and disadvantaged South Australians, as set out in SACOSS' *Cover the Basics* election campaign platform and ongoing advocacy.

# Expenditure Changes

The following graph shows changes in government operating expenditure between the estimated expenditure for 2021-22 and the budgeted expenditure for 2022-23 in areas of interest to vulnerable and disadvantaged South Australians. The data and categories are drawn from the Uniform Accounting Framework (Appendix A) in the Budget Statement, with the 2021-22 figures adjusted for inflation<sup>1</sup> and do not include capital investments.

The decrease in real operating expenditure across the majority of areas reflects the application of efficiency dividends across most government agencies. Significant decreases in operating expenditure are across housing development, community development and public health expenditure. This reflects substantial spending on housing stimulus and COVID-related response in previous budgets. However, it is promising that the housing development expenditure for 2022-23 includes much-needed investment in public housing, rather than measures targeting ‘affordable’ housing for home buyers.

There was a modest increase in expenditure for general public services, due to an increase in public debt transactions.



<sup>1</sup> The 2021-22 expenditure was indexed at 4%.

# Budget Measures

In the listings below, the page numbers refer to the Budget Paper 5: *Budget Measures Statement*.

## Significant Measures welcomed by SACOSS

A number of budget measures are of relevance to marginalised and disadvantaged South Australians and are welcomed by SACOSS, although we note that some of these are very modest in scale or ambition:

- We were pleased to see \$177.5m for **400 new public housing places and upgrades and maintenance of 3350 existing houses** (p.116).
- \$10m for **homelessness services** including to provide support to those allocated one of 50 new public housing places designated for people experiencing homelessness (p.115).
- \$11.9m to extend opening hours for some key **Service SA centres** and expand digital accessibility of government services (p.100).
- \$208.8m to establish **five new technical colleges** (p.25) supporting a range of learning and training options.
- \$26.6m on upgrades for 19 public schools (p.26) and \$118.8m over three years to **expand two public secondary schools** (p.25).
- \$50m for 100 staff for **mental health and learning support in public schools** (p.26) and a further \$28.8m to establish **specific autism support in public primary schools** (p.25).
- \$5m in 2023-24 in **upgrades to the Mount Gambier TAFE facilities** (p.104), plus \$12m to reinstate **training courses in the areas of aged care, disability and early childhood** (p.104), plus a further \$8.8m for courses where skill shortages have been identified in construction and hospitality (p.104).
- \$11.9m in 2022-23 to extend work of the **Skilling Australians Fund**, while negotiations are undertaken with federal government to continue the partnership (p. 87).
- \$6.7m over two years for an extension of the existing **JobTrainer Fund National Partnership** to increase free or low-fee training places through the **JobTrainer Aged Care Boost** (p. 88).
- \$4.3m in response to expressed community need for two **new police posts at Indulkana and Pipalyatjara** and additional funding for the **Fregon police post** (p.92).
- \$5m to employ 15 **Aboriginal Park Rangers** (p. 41).
- \$7.5m for **Port Pirie Greening program** to improve amenity and support the lead abatement program (p. 45).
- \$16m to fund **multicultural events and initiatives** (p. 98).

- \$29.4m to **improve public transport** for Mount Barker and the Adelaide Hills (p.74) and \$500k for a transport study of Mount Barker (p.77), in addition to \$416k for **public transport studies in regional centres** (p.79) and \$4.8m over two years in payments to **country bus services** to ensure continuation of service (p.72).
- \$2.7m to employ a **Commissioner for the River Murray** (p. 42).
- \$13.2m in 2022 to build **female facilities at local sporting clubs**.
- Child protection grants of \$7.6m for **services for children and young people in care and their carers, and young people who have left care**, including \$4m for post-care support and carer advocacy services, \$800k to CREATE Foundation, \$800k to Grandparents For Grandchildren, and \$1.8m for a Child and Young Person's Visitor Scheme in residential care (p.17).
- **Women in Small Business** (\$4m) a program to support female-owned businesses (p.14).
- **Medic Nurses in Custodial Facilities program** (\$13.6m) (p. 58).
- **New doctor package** (\$65m) to recruit 101 doctors, including specialists, as well as 10 child psychologists in Adelaide and regional South Australia (p. 60).
- **Boost public community mental health teams** (\$3.1m) (p. 54).
- **Nganampa Health Services – support for *Gayle's Law*** (\$4.2m) to ensure nurse safety in remote areas and quality clinical services (p. 61).
- **Nurses package in priority areas of need** (\$23.9m) to recruit additional 76 nurses across priority areas of the hospital system (p. 61).
- **Pharmacists package** (\$1.75m) to train pharmacists to conduct medication reviews, deal with mental ill-health issues, improve access to palliative care medication, and improve assistance for patients with respiratory illness (p. 61).
- **Speciality cancer and mental health nurses at the Women's and Children's Hospital** (\$6m)(p. 58).
- **350 more paramedics and ambulance officers** in metropolitan and regional SA (\$124m) (p. 52).
- **Ambulance station boost** (\$66m) to establish new ambulance stations and upgrades in priority areas across the metro and region (p. 53).
- **Build a new CBD ambulance headquarter** (\$120m) (p. 60).
- **Adult safeguarding unit** (\$3.4m over two years) to recognise and respond to reports of abuse of vulnerable adults (p. 53).
- **COVID-19 public health functions** (\$200m of operating expenditure in 2022-23) to recognise the continuing need for certain COVID-19 functions to continue, albeit at a reduced level (p. 55).
- Investments in **regional hospitals**: Keith and District Hospital (\$5.25m) (p. 57); Mount Gambier Hospital emergency department (\$8m over three years) (p. 59); Naracoorte Hospital (\$8m) (p. 60); Port Augusta Hospital (\$8m) (p. 62); Port Pirie Hospital emergency department (\$12m) (p. 62).

- **New mental health community beds** (\$12.7m over three years from 2023-24) to establish 20 additional hospital-in-the-home beds (p. 60).
- **Mount Gambier Hospital drug and alcohol detox beds** (\$4.6m) to fit out and operate two dedicated drug and alcohol detox beds (p. 59) and \$11.4m for **Mount Gambier Hospital mental health beds** (p. 59).
- Additional **Community drug and alcohol rehabilitation beds**: 12 beds in Adelaide (\$12.7m); four beds in Port Augusta (\$3.3m over 3 years); and four beds in Mount Gambier (\$3.3m over 3 years) (p. 54-55).
- **20 homelessness discharge beds** in partnership with not-for-profit sector (\$4.6m over two years from 2024-25) (p. 51).

### **Smaller Measures welcomed by SACOSS**

The following measures are welcomed as good initiatives, but SACOSS recognises that they are small in scale:

- \$1.5m over three years from 2023-24 for fairness at work measures, including the **extension of portable long service leave** for the community services sector in line with SACOSS' election ask (p.11).
- \$1.8m to extend the **Disability Community Visitor Scheme** (p.64).
- \$4m to reverse cuts imposed on **adult and community education** (p. 87).
- Funding commitments for diverse groups to inform decision-making by government, such as \$80k to establish a **LGBTIQA+ Advisory Council** (p.65) and \$80k to fund the **Minister's Youth Advisory Council** (p.66).
- \$2m for 400 **university scholarships in teaching courses** (p.28).
- \$600k over two years from 2022-23 to implement the new **Australian Fire Danger Rating System** across South Australia (p. 31).
- \$2m to reinstate the regional capability community fund grant program for equipment to create **farm firefighting units** (p. 32).
- \$1.2m for the **Gold Foundation**, a not-for-profit organisation focused on supporting young people with autism (p.65).
- \$1m in grants for **women's and men's sheds** (p.65)
- \$1m to the **Conservation Council** to ensure community's voice is heard in environmental decision making (p. 42).
- \$1m to establish a **northern and a southern domestic violence prevention and recovery hub**, including 2 FTEs (p. 65).
- Re-establish an **independent voice for patients** (\$800k) (p. 57).
- Lived Experience Leadership and Advocacy Network (LELAN) (\$800k) to support **voice for people with lived experience** of distress or mental health issues (p. 57).
- Courts Administration's **fee-free intervention orders** (\$160k) for removal of the initial lodgement fee for private intervention order applications where domestic abuse is alleged (p. 21).

- **Family Drug Support** (\$1m) to provide counselling and support to the families of drug users (p. 56).
- **Cancer Council anti-tobacco strategy** (\$400k) to support the Cancer Council to tackle tobacco addiction (p. 54).
- **Aboriginal reconciliation initiatives** including the design and delivery of **monuments** to mark the contribution of six Aboriginal leaders (\$500k per annum for two years from 2022-23) (p.10); the establishment of a **Commission on Aboriginal incarceration** (p.11) to develop options to reduce the rate of Aboriginal people in custody (\$500k in 2022-23); and the **Uluru Statement from the Heart** initiative (\$2.1m) (p.13).
- **Yadu Health Clinic** (\$2.5m over two years) to support the construction of accommodation for additional health services, including dental and other allied health (p. 63).
- The **Victim Support Services** (\$2m) to support victims of crime, and programs such as the Court Companions and Safer Places initiatives.
- **Women's Domestic Violence Court Assistance Service** (\$800k) to restore the previous funding cut to the service (p.14)
- **'Mates in Construction'** (\$240k) to provide support and suicide prevention and mental health programs (p.12)
- Continuation of **mandatory fuel price transparency scheme** (\$1.8m) requiring all fuel retailers to publish their prices (p. 11).
- Funding (\$2.4m) to support **Motor Neurone Disease SA to provide services to over 65s** unable to access immediate support from government, and rapidly loan equipment such as breathing and mobility devices (p. 59).
- **Renal haemodialysis services** \$950k over two years for an additional dialysis unit at Flinders Medical Centre and to provide funding to the Noarlunga Health Service to expand the dialysis unit (p. 62).

### **Measures with good potential, but more information needed**

There were also a range of initiatives announced that could potentially be good, but SACOSS would need more information before supporting the initiatives. These include:

- \$72.3m for **midyear intakes of preschool and reception** and \$2m over two years to **establish a Royal Commission into Early Childhood Education** (p.27).
- \$593m plus \$8.3 in operating expenditure for a new **hydrogen facility** in the Whyalla region. SACOSS needs more information about expected flow on benefits to low-income and disadvantaged South Australians (p.38).
- \$12m to continue a **subsidy of school fees** (the Material and Services Charge) for the 2022-23 financial year (p.26) is welcome, but fees should be reviewed for the future with concern paid to those on low incomes who are particularly impacted by cost of living pressures.

## **Missed Opportunities**

SACOSS has also identified a number of missed opportunities where the budget should have addressed areas of concern, but either did not address them, or the budget initiatives did not go far enough. These include:

- We welcome \$39.3m to double the **cost of living concession** in the 2022-23 financial year (p.66) but would like to see renters having parity with homeowners.
- The \$5.2m to extend **free public transport for seniors** (p.73) is a welcome measure, although SACOSS has long called for this entitlement to be extended to all others on equivalent or lower incomes.
- \$11.6m for the **Outer Areas Registration concession** (p.5) for people living in some regional communities is beneficial for those recipients but similar concessions should be targeted to support those living on the lowest incomes.
- The **Greener Neighbourhoods and Greening Adelaide's Heart programs** have been cut, saving \$14.5m, but have not been replaced with better targeted climate mitigation strategies to address impacts on vulnerable and disadvantaged people and improve liveability in the outer suburbs (p.43).
- The \$30.2m in savings gained by **discontinuing the home batteries and vehicle smart charging schemes** should have been redirected to better targeted programs to assist renters and vulnerable South Australians' access to solar (p. 39).
- The budget papers contain virtually no mention of measures to limit climate change or address its impacts on vulnerable and disadvantaged people.
- An additional allocation to Child Protection of \$108m to provide funding for **the ever-increasing number of children in non-family-based care** and an expected higher growth of children and young people in care over the forward estimates (p. 16). While it is necessary to respond to the needs of children in non-family-based care, it is critical that resources and efforts are directed towards early intervention and keeping children out of care.
- The **bulk of the health measures are focused on hospital upgrades and/or additional beds**. While important, this emphasis is viewed as a missed opportunity in that it allocates most of the resourcing to the tertiary end of the health system.
- While we welcome the Government's intention to extend the hours of service at Service SA outlets, which remain crucial connection points for people who might otherwise struggle with online services, this budget makes no mention of any initiatives likely to **enhance digital inclusion**.

A full Budget Analysis will be done in the coming days and released at the SACOSS breakfast with The Treasurer, the Hon Stephen Mullighan MP, on Wednesday 8 June 2022.