



SACOSS

State Budget Analysis 2021-22



SACOSS

*South Australian Council
of Social Service*

1 July, 2021

Overview

SACOSS has prepared this analysis of the 2021-2022 South Australian State Budget for the benefit of our members.

The first section provides the broad political-economic context of the budget, followed by sections summarising key Budget initiatives in the relevant area, providing SACOSS members with a quick reference to new budget measures. Further detail on these initiatives is available in Budget Paper No. 5. Cost figures are for four years unless otherwise referenced.

The final section analyses the Agency Statements (Budget Paper 4) in three departments: Health, Human Services and Child Protection. We selected these agencies to examine departmental transparency and policy directions evident in funding outcomes, targets and initiatives relevant to our sector and to vulnerable and disadvantaged people.

Contents

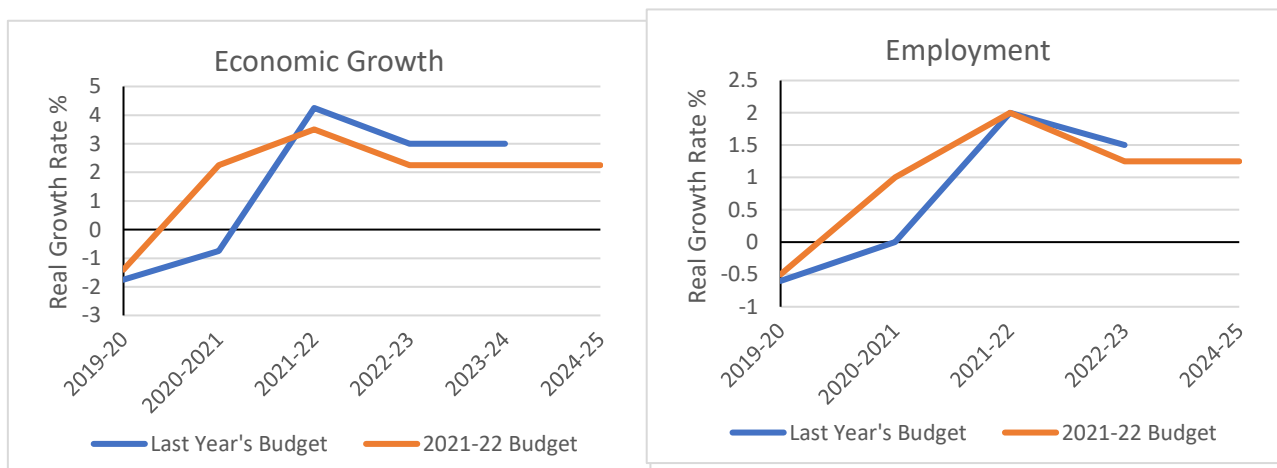
Overview	2
1. Economic Context and Budget Outcomes	3
Revenue and Expenditure	5
2. Budget Measures	11
Budget Measures Welcomed	11
Smaller Measures Welcomed	16
Budget Measures Not Supported	20
Budget Measures Requiring More Information	22
3. Government Agency Data	25
Department of Human Services	25
Department of Health and Wellbeing	32
Department of Child Protection	37

1. Economic Context and Budget Outcomes

This Budget comes against a background of a significant economic recovery from the contraction caused by the necessary responses to COVID-19. Apart from the success in controlling the pandemic, state economic growth has also been boosted by significant federal and state stimulus spending, and by significant grain crop increases (noting that pre-COVID South Australia was significantly impacted by drought and bushfires). The South Australian economy (as measured by Gross State Product) is expected to be larger in June 2021 than the pre-COVID period, and ABS data shows that there are currently more people employed in South Australia than prior to the pandemic (although the unemployment and underemployment rate remain high).

However, as the graphs below show, the path of economic recovery has not been as expected, even as recently as November last year (at the time of the last Budget). The graphs show that in 2020-21 both employment and the economy generally grew much more quickly than anticipated in the last budget. However, that quick recovery has meant that the rates of growth that were expected in the coming years have been revised down significantly. For instance, while economic growth was expected to contract by 0.75% in 2020-21, Gross State Product (GSP) actually grew by 2.25%, but the expected growth in 2021-22 and beyond is 0.75% lower than was expected in the previous budget. This will create ongoing challenges for employment and long-term economic recovery.

Figure 1: Economic and Employment Growth



The economic recovery evident in this data vindicates the deficit spending and stimulus strategy in the last state budget. An austerity budget to balance the books would have been disastrous for employment and for the South Australian community, and we again welcome the government's willingness in this budget to maintain spending and carry debt into the future. The details of these expenditure (and revenue) measures will be discussed below, but the overall result in this budget is an operating deficit through to 2022-23, when a small \$48m surplus is predicted. This return to (an admittedly small) surplus is one year earlier than was predicted in last year's budget. Table 1 on page 4 sets out the budget projections for debt and deficit.

Table 1: 2021-22 Budget Debt and Deficit Projections

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
Operating Balance (i.e. surplus)	-1,782	-1,397	48	498	379
Net Debt ¹	14,371	18,168	20,423	22,851	24,923

These numbers are often referred to as “eye-watering”, but at a time of low interest rates the cost of servicing the debt is less than was predicted in the last budget – at least for 2020-21 and 2021-22. Moreover, as the following table from Budget Paper 3 shows, that reduction in interest payments came on the back of a similar fall the year before, but the table also shows a rising interest payments over the forward estimates.

Table 2: Interest Payments (\$m)

	2020-21	2021-22	2022-23	2023-24	2024-25
2019-20 MYBR	486	539	628	n.a.	n.a.
2020-21 Budget	473	548	614	679	n.a.
2021-22 Budget	459	528	645	768	984

While the Budget papers note that this debt is sustainable, at \$528m in 2021-22, the debt payment is still a substantial expenditure item. It is equivalent to about half of the expenditure of the Department of Human Services. Further, net debt as a proportion of annual revenue is projected to grow over the forward estimates from 68.5% of revenue in 2020-21 to 101% of revenue in 2024-25). Obviously, the debt does not have to be paid in any one year, and at the macroeconomic level these numbers may not be a problem. However, it is a concern that by the end of the forward estimates we will be spending more on servicing debt than on child protection.

This suggests that, while the deficit stimulus strategy is right for now, in the longer term the debt issue will need to be addressed, especially if interest rates begin to rise. This is a timely reminder that SACOSS’ advocacy about the need to develop a strong state revenue base to underpin the budget and funding of vital services remains crucial.

¹ General government debt, not including the debt of government-owned businesses or financial corporations.

Revenue and Expenditure

Revenue

The collection of government revenue is the means by which governments fund the goods and services we need as a community. Vulnerable and disadvantaged people are particularly reliant on government services as they have fewer private and market options available to them. Accordingly, SACOSS seeks to ensure that governments always have sufficient and reliable revenue to properly fund these vital services.

The budget papers note that total government revenue is expected to increase in 2021-22 by \$1.4bn (2.7%) compared to estimates in the last budget. This is largely because of the strength of economic growth, both in South Australia and nationally. This has seen significant increases in stamp duty on property sales (\$214m increase) and a large increase in the GST pool. Since last year's budget, South Australia's share of the GST pool increased by \$926m in 2020-21 and a further \$1.5bn over the next three years.

State gambling taxes also increased in the last year (\$29m more than expected), but these are expected to return to more normal levels in the coming years.

The overall revenue growth is shown in Table 3 below, with revenue expected to grow in real terms (i.e. adjusted for inflation) by between 2.4% in 2022-23 and 3.1% in 2023-24 before levelling out in 2024-25. This revenue growth, plus the willingness to increase debt, has allowed for the large expenditure initiatives in this budget.

Table 3: Revenue Growth

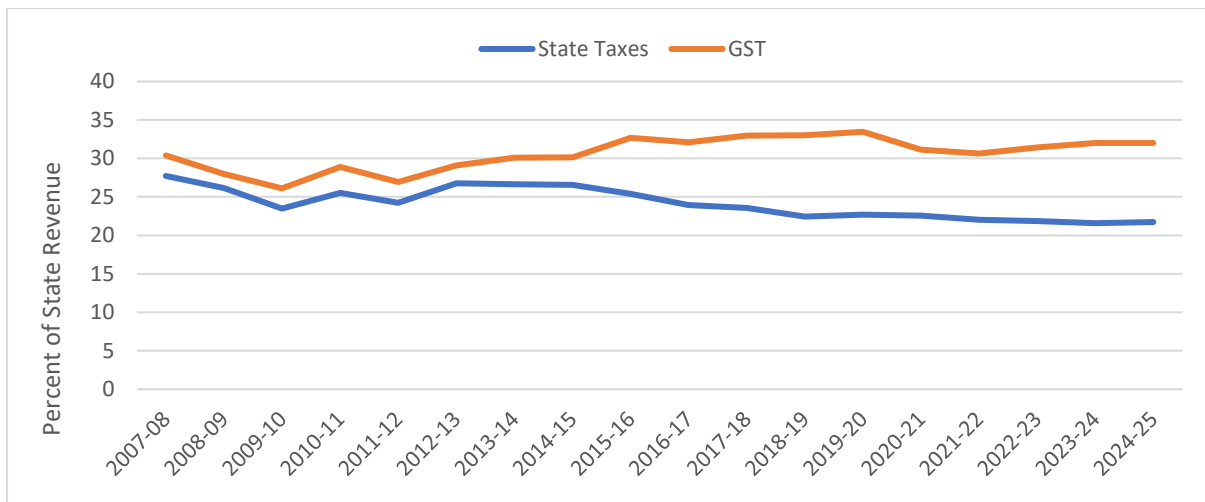
	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue (nominal) \$m	20,968	21,915	22,834	24,015	24,701
Real Revenue Growth	1.6%	2.7%	2.4%	3.1%	0.3%

However, this inflow of revenue should not be exaggerated. As a proportion of the economy, government revenue will remain around the current level (18.3% of GSP). Further, the revenue growth hides a long-term problem in the South Australian State Budget, namely the diminishing importance of the state's own tax base and an increasing reliance on GST revenue to underpin the budget.

Figure 2 on page 6 shows the slow growth in GST as a proportion of state revenue, and the relative decline of state taxes as a proportion of state revenue (from 27.7% in 2007-08 to 21.7% in 2024-25). This decline matters because as a flat rate tax, the GST impacts disproportionately more on low-income households (although the exemption for food stuffs makes it a little more progressive). By contrast, state taxes such as property taxes, stamp duty and insurance taxes (which collectively account for around half of state tax revenue) are relatively progressive, impacting proportionately more on households higher up the income scale. Further, an increased reliance on GST revenue is potentially problematic because the state government has no control over the rate or distribution of GST from the national pool. The rate is set by Commonwealth legislation, and the state's share of the

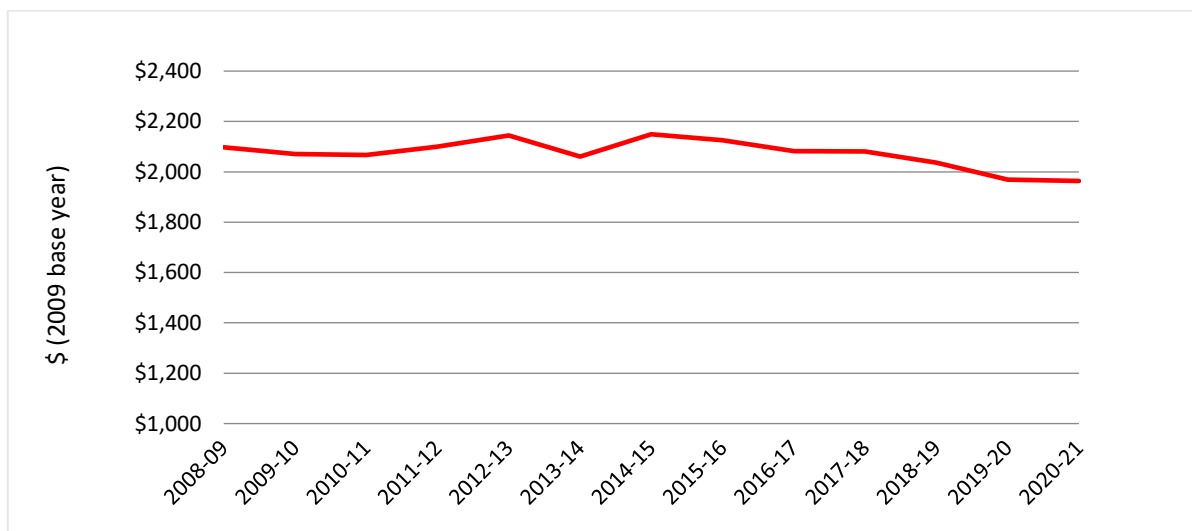
national pool is set by the Commonwealth Grants Commission using a complex (and sometimes controversial) formula.

Figure 2: State Taxes and GST as a Proportion of State Revenue



In pointing to the decline of the state tax base, it is also important to remember that there is room to build a stronger local tax base. South Australia is still a relatively low taxing jurisdiction by Australian standards (and Australia is a low taxing country in comparison with most of the OECD countries). South Australia still has the third lowest rate of state taxes per capita of all Australian jurisdictions, and as the following graph shows, the real amount of tax has been steady or declining.

Figure 3: Real SA State Taxes Per Capita



While this state budget is rightly focused on stimulus expenditure to sustain economic prosperity, a government taking office after the next state election will need to be prepared to address the problems in South Australia’s revenue base.

Expenditure

Government expenditure is the means by which the government provides the public infrastructure and services that the community needs. While budget headlines have highlighted deficit spending and focused on expenditure as economic stimulus, there are in fact two different expenditure stories in this budget. The first is about the big-ticket infrastructure expenditure, the other is the operational expenditure which, although not as headline-worthy, is particularly important to vulnerable and disadvantaged South Australians.

The budget papers highlight the \$17.9bn investment in infrastructure over the period from 2021-22 to 2024-25, an expenditure dominated by roads and public transport (\$8.8bn) and health (\$2bn). The Budget Overview also highlights infrastructure investments that run beyond the forward estimates:

- \$9.9bn for the North-South Road Corridor
- \$1.95bn for the new Women's and Children's Hospital
- \$662m for the Riverbank Arena
- \$200m for the Aboriginal Arts and Cultures Centre

While this infrastructure spending is significant, and may provide important public assets, in many cases the particular projects are not those that would be a priority for SACOSS. The government still appears not to see social infrastructure as real investment, and the biggest missed opportunity in this budget was the failure to invest in increasing public housing stock. Like any infrastructure, such an investment would create jobs in the construction stage, but it would also provide a vital social service to those shut out of housing. Further, it would contribute to housing affordability more generally by increasing supply and putting downward pressure on rent prices.

It is also important to note that, as a straight job-creation exercise, infrastructure investment is more capital intensive than investment in human services, and infrastructure creates jobs in a narrow range of industries and occupations, typically the male-dominated "tradie" occupations. At a minimum, SACOSS would like to see programs attached to these big investments to ensure access to the new jobs for those who are traditionally disadvantaged in the labour market, including people from regional and migrant communities, people living with disability, women, and Aboriginal people. Without that, the infrastructure spending threatens to entrench labour market segmentation, disadvantage and inequality. SACOSS would also like to see a comprehensive plan to strengthen the capacity of the social and community services sector to train and recruit the high calibre workforce that is so vital to our community. This is particularly important given the influx of funding through the NDIS and the response to the Royal Commission into Aged Care Quality and Safety.

Beyond infrastructure spending, there was a range of announcements of business supports and stimulus measures via the Jobs and Economic Growth Fund, the COVID-19 Support Fund support package, and straight stimulus initiatives. However, many of these items were wrapped up with expenditure that was already allocated in last year's budget, but being spent in this budget year. For instance, the \$4bn economic stimulus package highlighted in

the Budget Overview was announced in last year’s budget and totalled \$3.998m over 7 years when announced. In this budget the ongoing expenditure is highlighted (\$1.2 of that \$4bn to be spent this year), but the 7-year total remains basically unchanged. Similarly, many of the new measures funded out of the COVID-19 Support Fund are new initiatives worth \$73m, but partly paid from previously unallocated money in the fund. While it is reasonable to consider such initiatives as part of ongoing programs, it makes interpreting the budget difficult, and diminishes transparency in budget processes.

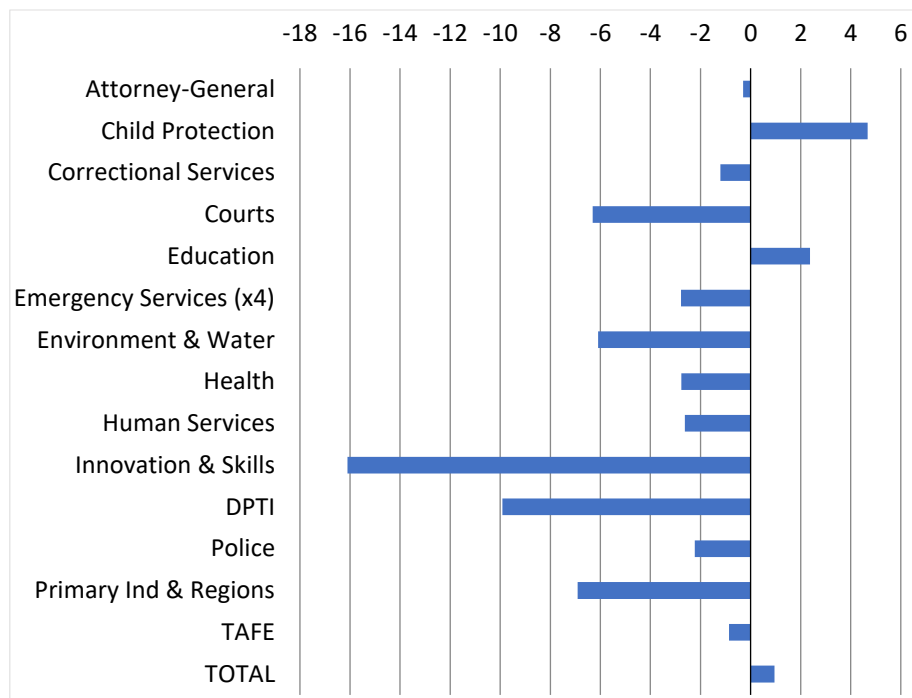
In total, the budget papers note some \$2.6bn in new operating and investing (capital) expenditures over the next four years, but as the Table 4 below shows, the actual growth in operational expenditure (which is the day-to-day business of government) is modest. Expenditure actually decreases in 2022-23 when many of the one-off stimulus measures end.

Table 4: Expenditure Growth

	2020-21	2021-22	2022-23	2023-24	2024-25
Expenditure (nominal) \$m	22,750	23,312	22,787	23,518	24,322
Real Expenditure Growth	2.7%	0.7%	-3.9%	1.2%	0.9%

Stripped of its infrastructure headlines, this is not a big spending budget. Indeed, as the graph below shows, the actual operating budget for many departments has declined in real terms in this budget year, although there may be a range of reasons for these expenditure declines.

Figure 4: Real Operating Expenditure: Percent Change from Last Year



Note: This is a change for budget year 2021-22 from the estimated expenditure in 2020-21, adjusted for inflation at 1.5%.

The figures represent the total agency expenditures, which includes expenditure funded by the Commonwealth or other incomes sources that goes through the department. In that sense, some of the final expenditure outcomes may be beyond the control of the state government, but the data does reflect the overall impact on those agencies' ability to provide services to people in South Australia.²

As evident in Figure 4 above, the growth in operating expenditure of the departments is less than the overall growth in budget expenditure (in Table 4 above). In reality, Education and Child Protection are the only agencies to see their real expenditure grow from last year to this budget year (and in the latter's case, it was because of an alarming increase in the numbers of children entering the child protection system).

The decline (in real terms) in operating expenditure of many of the other departments is important in considering the new measures announced in this budget. As will be evident in the section of this analysis dealing with budget measures, there is a long list of welcome initiatives, but the importance and impact of these measures need to be seen in the context of an overall decline in expenditure for many of the departments and agencies that SACOSS is most concerned about.

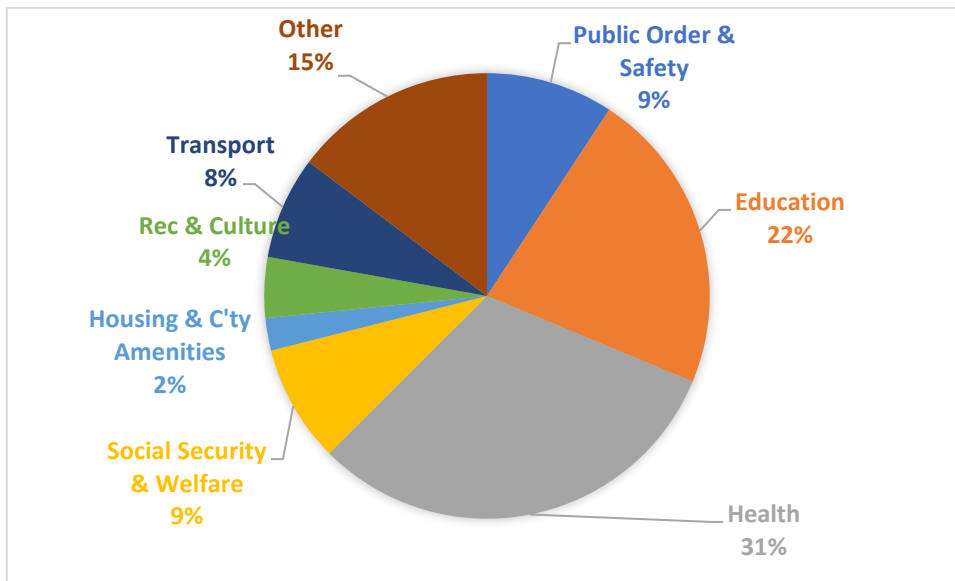
However, it is also important to note that this decline in departmental funding would have been worse if this budget had followed many recent budgets in imposing new savings measures on the agencies. These "operating savings" or "efficiency dividends" require agencies to reduce expenditure by a certain percentage, with the measures to achieve the savings not outlined in the budget. These "savings" are really just cuts, without the transparency of a Minister announcing specific cuts to programs or expenditure. They are also problematic because the continuing whittling down of budgets threatens service delivery and quality with death by a thousand cuts.

The absence of new savings measures in this budget is welcome, although departments are still having to manage the impact of previous savings imposed for 2021-22. These measures would be a contributing factor to the outcomes noted in Figure 4.

Finally, it is not just the quantum of spending that is important for vulnerable and disadvantaged South Australians, but also what it is spent on. Figure 5 below shows the share of total operational expenditure going to different government functions.

² These numbers will be different to the changes noted in our analysis of the Agency Statements for selected agencies as that analysis is based on the net cost of services, which is the cost to South Australian taxpayers of those services.

Figure 5: Share of Budget Expenditure



While the expenditure categories are broad, the graph does underline the importance of state government expenditure on vital services, with health and education accounting for more than half of the budget expenditure, and social welfare spending accounting for another 9%. As noted above, these proportions are little changed by measures in this budget but, as evident in the next section, there were a range of budget measures relevant to SACOSS' concerns.

2. Budget Measures

Budget Measures Welcomed

Policy Area	Item	Description	SACOSS Comments
Tax/Housing	Land Tax Reduction for Rent-to-Build Projects <i>\$150,000 (over 2 years, but ongoing from 2024-25)</i>	Reduces land tax payable for eligible projects where new development is for rental housing, by reducing the taxable value of land by 50%.	This provides an incentive to build housing for rental, which is very welcome. SACOSS notes that it is a very small amount of money in the forward estimates, but may grow over time (scheme runs to 2039-40) and some tracking of the affordability may be required.
Tax/Training	Apprentice and Payroll Tax Exemption <i>\$4m (over 2 years)</i>	Extends into 2022-23 the initiatives introduced last year to exempt wages paid to apprentices and trainees from payroll tax.	A good initiative to encourage the employment and training of young people.
Health and Wellbeing	Mental health care package <i>\$163m</i>	A number of mental health care initiatives, including \$8.4m per year for community mental health services, \$5m for accommodation for people with mental health disability, and outreach into communities.	This measure supports the state's Mental Health Services Plan with welcome investments in community services, and a contribution to the capital costs for additional accommodation for people with mental health disability.
COVID-19	Reducing the spread of COVID-19 <i>\$47.9m (1 year), plus \$30m (over 2 years) for policing</i>	The extra resourcing for SA Health will complement Commonwealth funds of \$29.8m to support contact tracing, a state control centre, information call centre, SA Pathology testing, and the medi-hotel quarantine system. Extra funds for police will resource border patrols, medi-hotel security, cross border travel authorisations and compliance activities.	These public health measures are welcomed, as South Australia continues to manage the COVID-19 pandemic well.

Health and Wellbeing	COVID-19 vaccine rollout <i>\$49m (1 year)</i>	This provides a mix of state and Commonwealth funding for the operation of state-run vaccination centres.	This public health measure is welcome in increasing accessibility of vaccines.
Health and Wellbeing	Additional resources for SA Ambulance Service <i>\$43m</i>	This will fund additional ambulances, ambulance staff, including in regional stations, and improvements to ambulance stations.	Patient transport has been an issue in South Australia, so this investment is welcomed. The focus on regional stations is positive.
Health and Wellbeing	Addressing the elective surgery backlog <i>\$20m (1 year)</i>	This one-off funding aims to reduce the backlog in elective surgery that has been exacerbated by COVID-19 disruptions.	This investment to reduce waiting times is welcome as people can suffer significant health and other life impacts from conditions deemed 'elective'.
Child and Family Wellbeing	Newpin SA Social Impact Bond <i>\$1.1m in 2021-22 with a total \$9.7m over the forward estimates to 2024-25</i>	The Newpin SA Social Impact Bond program is an intensive therapeutic centre-based family reunification program. It aims to support more than 200 families with children aged up to six who are in care or on a temporary order and where reunification has been identified as appropriate. The total funding of \$18.2m for this program is for seven years and includes a total of up to \$3.2m from the Commonwealth Government as operating revenue, which includes \$1.7m over the forward estimates until 2024-25. The Department has allocated \$9.7m for the operating expenses over the forward estimates to 2024-25.	SACOSS supports measures that reunite children with their families, where appropriate, and keep children in their families and not in out-of-home-care. We look forward to positive outcomes from this initiative, but remain a little cautious about how this relatively new results-based social impact funding model is applied to child protection services and the community services sector more broadly.

Child and Family Wellbeing	<p>Resilient Families – Social Impact Investment</p> <p><i>\$1.7m in 2021-22 with a total of \$8.2 over the forward estimates to 2024-25</i></p>	<p>The Resilient Families Social Impact Investment program will be delivered by the Benevolent Society.</p> <p>It is an intensive home-based family support program to prevent children from entering out-of-home care and will be directed to approximately 300 families with children under the age of nine who live in the southern metropolitan area, and extending to Murray Bridge.</p> <p>The program has total funding of \$11.3m over six years. This amount includes up to \$1.8m from the Commonwealth Government as operating revenue over this period.</p>	<p>SACOSS supports early intervention and preventative measures that keep children in their families and prevent them from going into out-of-home care. We look forward to additional information on the evaluation criteria and measures of success for this impact investment program, which is a relatively new funding model for the community services sector.</p>
Transport	<p>Country bus services</p> <p><i>\$4.2m (1 year)</i></p>	<p>Funding for one year to sustain country bus services. This measure builds on support for regional transport services impacted during COVID-19. The South Australian Public Transport Authority is currently reviewing the long-term sustainability of regional passenger transport services.</p>	<p>This is a welcome measure, but SACOSS is concerned that regional public bus services do continue to be funded into the future. Ensuring ongoing access to public transport is vital for regional communities.</p>
Transport	<p>New and expanded school bus services</p> <p><i>\$13.2m</i></p>	<p>Adding to \$4.2m in funding from last year, the budget provides \$7.8m for investment in new school buses in 2021-22, and \$5.2m in operating expenditure over four years to cater for year 7 transition and bus leases for new schools in Aldinga and Angle Vale.</p>	<p>SACOSS supports investment in public transport, recognising it is a key investment which allows families affordable access to vital services.</p>

Education	<p>Developmental health checks for children from birth to age 5</p> <p><i>\$18.3m (over 3 years), with \$16.7m p.a. from 2024-25</i></p>	<p>Funding for the new Office for the Early Years (in partnership with the Child and Family Health Service and non-government partners) to develop service models increasing developmental health checks for children from birth to age 5. Ongoing annual funding is budgeted from 2024-25 to deliver the program.</p>	<p>SACOSS welcomes measures supporting early identification and intervention for children with developmental delays especially if these lead to wrap-around supports. This program forms part of the 10 Year Early Learning Strategy, which SACOSS hopes will deliver these essential complementary supports.</p>
Education	<p>Capital works at government schools and preschools</p> <p><i>\$42m (over 3 years)</i></p>	<p>This initiative brings forward approved capital funding from 2023-24 and 2024-25 for urgent works at Seaview Downs Primary School, Pimpala Primary School, Eastern Fleurieu R-12 School, Salisbury East High School and Nailsworth Primary School.</p>	<p>SACOSS welcomes measures that ensure children have access to safe and supportive learning environments in public schools.</p>
Education	<p>Commissioner for Aboriginal Children and Young People</p> <p><i>\$4m</i></p>	<p>Funding to establish the position of Commissioner for Aboriginal Children and Young People, with the same legislative powers as the Commissioner for Children and Young People as they apply to Aboriginal children and young people.</p>	<p>SACOSS has long campaigned for this position to be formalised and welcomes its establishment under the <i>Children and Young People (Oversight and Advocacy Bodies) Act 2016</i>, and ongoing funding into the future.</p>
Employment	<p>Extension of the JobTrainer Fund</p> <p><i>\$34.4m in state funding (over two years)</i></p>	<p>Extra funding matching Commonwealth funding to provide free or low-fee training courses in areas such as health, aged and disability care, IT and trades, until June 2022.</p>	<p>SACOSS welcomes additional funding to support access to employment for young people, school leavers and long term unemployed. We would also like to see a comprehensive plan to strengthen the capacity of the social and community services sector to train and recruit the high calibre workforce that is so vital to our community.</p>

Law and Justice	Office of the Public Advocate and SA Civil and Administrative Tribunal - additional resources <i>\$8.2m</i>	Increased funding to manage complex NDIS and restrictive practices cases.	SACOSS welcomes additional funding to ensure human rights are protected and that there are proper safeguards around the use of restrictive practices.
Law and Justice	Closing the Gap - strategies to reduce the rate of Aboriginal reoffending and overrepresentation in the criminal justice system <i>Almost \$10m</i>	Additional places in domestic and family violence prevention programs for Aboriginal men, as part of Closing the Gap commitments.	SACOSS supports investment into strategies that reduce domestic and family violence and the rate of Aboriginal incarceration. We note that the success of programs usually hinges on the active leadership of Aboriginal people and organisations, and these need to be of a scale appropriate to reduce our unacceptably high overrepresentation of Aboriginal people in the justice system.

Smaller Measures Welcomed

Policy Area	Item	Description	SACOSS Comments
Law and Justice	Aboriginal Justice Advocacy <i>\$240,000 in the first year, \$225,000 (indexed) p.a. thereafter</i>	Funding for the Aboriginal Legal Rights Movement to provide advocacy and advice to government on policies and initiatives to reduce the over-representation of Aboriginal people within the criminal justice system.	While fairly modest in scale, SACOSS sees this investment in Aboriginal community-controlled advocacy as important in addressing crucial justice issues for Aboriginal people.
Culturally and Linguistically Diverse Populations	Multicultural Affairs Grant Program <i>\$2m (1 year)</i>	Extra funding for the Expand Together Grants Program and Multicultural Priorities Fund to assist organisations to buy equipment and build or upgrade facilities.	SACOSS notes that this is a modest one-off infrastructure investment but will provide some support for I communities.
Aboriginal Social Justice	New Aboriginal Engagement Reform Model <i>\$650,000 p.a. (indexed), plus \$120,000 (every 2 years)</i>	Funding for a new engagement model, including the creation of an elected body, to ensure Aboriginal voices are better represented in government decision-making.	SACOSS believes the direction of this initiative is very welcome but notes the funding is very modest for a potentially far-reaching model, and there will be debate over the details of the proposal. .
Health and Wellbeing	Extension of the meningococcal B immunisation program <i>\$18.8m</i>	Initially funded in the 2018-19 budget until 2020-21, this additional funding continues the rollout of meningococcal B immunisations.	This is welcomed by SACOSS and is one of the few investments in public health outside of COVID-19 measures. A greater emphasis on public health and the prevention of ill health would be valuable in reducing the pressure on our hospital system.
Child and Family Wellbeing	Family group conferences – ongoing funding <i>\$855 000 p.a. (indexed) from 2021-22</i>	To establish Child Protection family group conferences as an ongoing program and to extend the current Lead Project Officer position for a further 12 months.	SACOSS welcomes the continuation of this program and hopes that family group conferencing is integrated into the ongoing practice of the Department. We are unsure whether the amount allocated will enable the procurement of an Aboriginal Community Controlled Organisation to implement an Aboriginal-specific family group conferencing service, which we believe is essential.

<p>Child and Family Wellbeing</p>	<p>Stability Post Care program</p> <p><i>\$2.6m (over 3.5 years)</i></p>	<p>This pilot program will support young people up to the age of 21 years who have complex needs and who are leaving care and at risk of homelessness and housing instability. This pilot extends existing supports under the Stability in Family-Based Care program to young people in non-family-based care and those in a family-based placement who are at risk of homelessness and housing instability.</p>	<p>SACOSS welcomes this initiative as we have long advocated for the extension of support for all young people in out-of-home care (OOHC) until the age of at least 21 years. However, we have reservations regarding the adequacy of the quantum allocated for this program.</p>
<p>Child and Family Wellbeing (DHS)</p>	<p>Child Diversion Program – Youth Justice</p> <p><i>\$1.3m (over 2 years)</i></p>	<p>The Child Diversion program provides a triage and support service for children at risk of being remanded into custody due to lack of accommodation. It will connect children to family support services, broker short-term accommodation, and link children and their families to more long-term support so as to prevent children entering the youth justice or child protection systems.</p>	<p>This measure is welcomed by SACOSS as it is aimed at keeping children and young people out of custody. Not only is it aligned to the need to raise the age of criminal responsibility by keeping young children out of custody, but it will also contribute to the State’s commitment to the national Closing the Gap target of reducing the number of Aboriginal and Torres Strait Islander young people in incarceration by 30 per cent by 2031.</p>
<p>Disability</p>	<p>Disability Access and Inclusion Directorate</p> <p><i>\$1.6m (over 2 years) followed by \$776 000 p.a. (indexed) from 2023-24</i></p>	<p>To provide for the continued operation of the disability access and inclusion directorate, which provides leadership, advice and management for the NDIS and the disability access and inclusion plans.</p>	<p>SACOSS welcomes resourcing for this Directorate and hopes it will result in improved NDIS response times and the active uptake of access and inclusion plans across the public sector and the community more broadly.</p>

Regions	Drought support measures <i>\$2.2m (over 3 years)</i>	Funding for the continuation of the rural financial counselling and family and business support mentors' programs.	SACOSS supports funding of vital financial counselling services across the state, particularly over the coming year, given the winding back of income support payments coupled with increased household debt in regional SA. SACOSS does note, however, that overall, funding for Financial Counselling Services is reducing at the very time that demand for said support is likely to be increasing.
Child and Family Wellbeing	Expansion of sports vouchers program <i>\$5.8m (over 3 years)</i>	Provides an additional \$1.6m from 2022 to expand the sports vouchers program to include students in years 8 and 9.	SACOSS welcomes the expansion of this program to encourage and help fund older children's continued participation in local sport, especially where this takes the burden off low income family budgets.
Environment and Water	Greener Neighbourhoods program <i>\$5.5m</i>	Expansion of existing program to include regional cities with a population greater than 10,000 for projects aimed at increasing urban tree canopy and reducing urban heat effects	While this is a welcome measure to improve liveability across both urban and regional cities, SACOSS notes this was the sole initiative in the budget designed to limit climate change or address its impacts on vulnerable and disadvantaged people.
Law and Justice	Additional resources for Youth and Coroner's Courts <i>\$1.3m</i>	Resources to address case backlog.	SACOSS welcomes additional resourcing to progress existing legal cases. Shorter wait times are important to ensure fair treatment in the justice system and timely exit and reintegration into the community.
Law and Justice	Additional electronic monitoring devices <i>\$3.9m</i>	Support for an additional 100 community corrections places.	SACOSS strongly supports initiatives that divert people, where appropriate, from being imprisoned.

Energy	<p>Clean energy initiatives</p> <p><i>\$1m (over 1 year)</i></p>	<p>A further year of resourcing to continue to deliver initiatives, including the Home Battery Scheme and Virtual Power Plant scheme for Housing SA properties.</p>	<p>The SA government’s Home Battery Scheme experienced high uptake, and this program is continuing with a target of 7000 installations in 2021 – 2022. While there may be value for grid support and in storing renewable energy, SACOSS has previously questioned the value of the Home Battery Scheme for people on low incomes or those who do not own their homes.</p> <p>However, we are pleased to note that the next phase of the Virtual Power Plant program has been expanded to low income households without solar panels, thus improving the likely accessibility for some groups.</p>
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Budget Measures Not Supported

Policy Area	Item	Description	SACOSS Comments
Tax	Emergency Service Levy (ESL) Remission <i>\$5.4m (1 year)</i>	A one-off increase in the existing discount on ESL payments, in part justified by the need to offset increases arising out of bushfire responses.	This increases the previous \$90m discount, further reduces one of the state's more progressive taxes, and thus undermines the ability to fund other vital services.
Tax	Increase to Land Tax Transition Fund <i>\$10.7m (1 year)</i>	Additional tax concessions for landlords negatively impacted by changes to land tax aggregation rules in 2020-21.	The changes in land tax aggregation were a good measure to close a tax avoidance loophole. However, SACOSS believes that compensating those who had previously utilised this loophole to minimise tax undermines the tax base and impact of the changes made.
Land	Sale of Government Land Holdings <i>\$80m</i>	Program of selling off "underutilised" government land estimated to be valued at \$20m per year.	SACOSS recognises a full commentary would require consideration of each particular sale, but in principle this is a privatisation of a public asset – a short-term revenue increase, but a loss of public land that could in future have been used for housing or other social purposes.
Housing	Support for HomeBuilder Program <i>\$1m (1 year)</i>	Provides extra resources for the administration of the federally-funded HomeBuilder Scheme.	The HomeBuilder Scheme is poorly targeted, benefiting mainly those with significant assets, or workers in industries which are already booming. It does nothing to assist those most at risk in the housing market. Accordingly, SACOSS does not support further resourcing this program.
Law and Justice	Prison Upgrades to Yatala Labour Prison and the Adelaide Women's Prison <i>\$24.3m (over 2 years)</i>	These measures will add 270 places at Yatala Labour Prison, upgrade the Women's Prison reception area and continue upgrades to digital security, monitoring and surveillance systems in both prisons, and the Adelaide Remand Centre.	SACOSS generally views funding for prison upgrades as a missed opportunity to direct funding towards helping people avoid engagement with the justice system. Therefore, we do not support funding for increased prison places, although we acknowledge the need for

			<p>substantial investments in prison facilities to ensure they are safe and promote rehabilitation.</p> <p>An important element of rehabilitation is keeping people who are incarcerated connected with their family and community, so providing a welcoming facility for visitation is very important.</p>
Law and Justice	<p>New rehabilitation prison — business case</p> <p><i>\$1.5m</i></p>	Development of proposal for a new prison.	<p>As noted, SACOSS generally opposes investments aimed at increasing prison beds. We also note that \$500,000 was committed to this project in the 2020-21 budget. It is unclear whether the \$1.5m committed for 2021-22 is in addition to the amount previously committed.</p>

Budget Measures Requiring More Information

Policy Area	Item	Description	SACOSS Comments
Aboriginal Heritage	Increased funding for heritage assessments <i>\$1.3m</i>	Funding to increase the state's capacity to undertake Aboriginal heritage assessment.	Protection of Aboriginal heritage is vitally important and assessment is a critical part of that. However, SACOSS notes the government's description of this measure is as an enabler of economic development rather than one of ensuring heritage protection. So it depends on what use is made of the increased assessment capacity.
Health and Wellbeing	Medic Nurses in Custodial Facilities program <i>\$2.7m (1 year)</i>	24/7 nursing services provided in four metropolitan watchhouses.	This measure is welcomed if it increases access to good health care for detainees. It is unclear what a 'medic nurse' is, and whether the program will ensure quality health care for detainees. SACOSS notes only one year of funding is provided.
Health and Wellbeing	Funds to recast financial efficiency targets <i>\$300m</i>	This funding contribution acknowledges SA Health has not been able to meet its financial targets, and extends the timeframe for SA Health to achieve the national efficient price.	This funding may be necessary to ensure provision of tertiary healthcare, and especially acknowledging the difficulties COVID-19 has meant for our hospitals. However, SACOSS continues to believe that we are neglecting investment in community-based, preventive strategies that are ultimately the only means by which to reduce hospital demand long-term.

Child and Family	Significant incident reporting unit <i>\$1.2m (over two years)</i>	To establish a significant incident reporting unit in the Department for Child Protection, to be reviewed after two years.	While SACOSS appreciates it is critical that notifications are always responded to quickly and effectively, it is unclear why incident reporting cannot be undertaken and improved upon through the existing departmental structure with additional staff and resourcing allocated.
Child and Family	Child protection – additional resources <i>\$9.9m in 2021-22</i>	Additional resources to meet the costs of child protection statutory responses, noting the increasing number of children and young people in care. Over the forward estimates, this additional resourcing will increase to \$12.2m per annum by 2024-25.	This funding is premised on an increasing number of children coming into the system. While the funding may be necessary, it represents a misdirected investment away from adequate early intervention and preventative measures. SACOSS would welcome more information about practical efforts being made to reduce children coming into care and whether the new initiatives, such as Newpin and Resilient Families, will be sufficient to stem the flow of children coming into care.
Child and Family Wellbeing/Disability	Continuity of Support – Voluntary Out-of-Home Care (VOOHC) program. <i>\$1.1m p.a.</i>	The Voluntary Out-of-Home Care program provides care for children with disability and exceptional needs, to prevent them from entering statutory care services. Aside from supports provided by the NDIS – such as staffing	SACOSS advocates that, as far as possible, all children should be kept out of the statutory child protection system. The voluntary arrangement (with the parent’s consent and without a court order)

		<p>supports, home modifications and support co-ordination, the state's responsibilities include meeting accommodation and living costs such as board and lodging and the case coordination of mainstream services.</p>	<p>for out-of-home care will enable support to be provided to children and their families while keeping children out of the statutory system. However, SACOSS is concerned that families may not be receiving adequate support to enable them to care for their children at home, offering them little choice but to make use of VOOHC. More information would be useful on what efforts are being made to keep children at home.</p>
Disability	<p>Safeguarding smartphone app</p> <p><i>\$500 000 (1 year)</i></p>	<p>Funded from the Government's \$120m Digital Restart Fund, this measure provides resources for the development of a new safeguarding smartphone app for people living with disabilities, their families and supporters, to help them connect to support and services.</p>	<p>SACOSS supports this initiative if it does provide easier access to support services, advocacy and complaint services, particularly for people in regional and remote areas. Privacy must be ensured and this should complement, not substitute, face-to-face interaction.</p>
Education/TAFE SA	<p>Digital student learning systems and support</p> <p><i>\$12.7m (over two years)</i></p>	<p>Investment in system enhancements to support digital student learning, including improvements to regional infrastructure and digitisation of education delivery and support.</p>	<p>While digitisation of education and training is likely to improve access for some, these investments are offset by savings from blended learning, and it is unclear what impact this will have on the quality of education. SACOSS is also cautious that such initiatives do not result in a reduction across the regions in face-to-face learning opportunities.</p>

3. Government Agency Data

Department of Human Services

Department and Program Funding

The Department’s funding is directed to four key programs – Community Services, Status of Women, Youth Justice and Disability.

In addition to the Department’s traditional areas of focus, SACOSS notes the measures relating to several new investments across the human services portfolio. These include providing a triage and support service for children who are at risk of being remanded into custody; a new safeguarding app that will enable people living with disabilities to more easily access support services, as well as advocacy and complaint services; and the establishment of the Resilient Families program as a social impact investment initiative to provide intensive home-based family support to prevent children being placed in out-of-home care.

As reflected in the table below, the Department’s overall program expenditure has had very little change in real terms, with the exception of the Status of Women, where the 2021-22 budget has almost doubled on the previous budget. According to the Chief Executive, the additional \$3.8m under the Domestic Violence Support Package (Budget Measures pg. 79) will provide \$1 million per year across the forward estimates to 2023-24 and will be directed to domestic violence programs to be delivered by the Office for Women.³

The Department’s Workforce Summary indicates an expected decrease of 40 FTEs during 2021-22, with the bulk of the decrease occurring across the Community Services portfolio. The significant downsizing in this area is concerning, as the need for frontline face-to-face services is likely to increase due to under-employment and job losses (including those due to COVID), financial and household stress, and the need for counselling and family support services, as well as the need for early interventions to help keep children safe.

Table 5: Department of Human Services

Program	2020-21 Budget (\$000)	2020-21 Actual (\$000)	2021-22 Budget (\$000)	% Change 2020-21 Budget vs 2021-22 Budget (real terms)	% Change 2020-21 Estimate vs 2021-22 Budget (real terms)	2020-21 FTE Staff	2021-22 FTE Staff	% Change
1. Community Services	112,711	113,881	112,152	-2.0	-3	655	623	-4.8

³ DHS Update: 2021-22 State Budget, 25 June 2021.

2. Status of Women	4,572	1,110	9,029	94.5	701.2	22	18	-20.8
3. Youth Justice	43,496	43,964	44,607	1.0	-0.1	307	306	0.4
4. Disability	752,380	779,729	775,607	1.5	-2.0	1,678	1,675	-0.2
Total	913,159	938,684	941,395	1.5	-1.2	2662	2622	-1.5

Dollar values are nominal, changes are in real terms, adjusted for 1.5% inflation

Targets

1. *Communities*

1.1 Community and Family Services

- Release future investment framework for the Gambler's Rehabilitation Fund, following recent legislative change, and implement new prevention and early intervention initiatives in response to emerging gambling harms, particularly the impact of gambling exposure on young people.
- Continue the implementation of the new Community Connections program to support people to strengthen their independence and connections with communities, social networks and services.
- Implement strategies to deliver priorities of the Volunteering Strategy for South Australia 2021-2027.
- Continue leading the implementation of strategies in Strong Futures: SA Youth Action Plan 2020-2022, including the expansion of primary prevention activities.
- Develop and implement a standard assessment of outcomes across government and non-government Intensive Family Services.
- Recommission lower-intensity family support services in line with the reform of the Child and Family Support System.
- Support high-risk families and their children by working in partnership with key stakeholders to ensure local service coordination.

1.2 Community Support Services

- Implement the new Aboriginal Language Interpreting Service within the Interpreting and Translating Centre.
- Implement the streamlining of employment-related screenings and processes to make it easier for customers to obtain any necessary screening to volunteer or work.
- Work with the Department of the Premier and Cabinet (DPC) to improve customer interaction with the Screening Unit and Concessions through digital delivery of services including the SAGOV Service Portal.
- Work with DPC to implement digital identity initiatives for screening applications.

2. *Status of Women*

- Continue to support the establishment of Safety Hubs to improve service delivery in regional South Australia.
- Finalise and progress actions under the Women's Leadership and Economic Security Strategy.

- Finalise the establishment of the new Statewide Perpetrator Response to provide early support and intervention services for perpetrators of domestic violence.
- Launch and roll out the online Family Safety Portal across relevant agencies to transfer functions of the Family Safety Framework to an online environment.
- Complete actions under the National Partnership on COVID-19 Domestic and Family Violence Response.

3. Youth Justice

- Continue working in partnership with key stakeholders to implement Young People Connected, Communities Protected: South Australia's Youth Justice State Plan 2020-23.
- Continue to implement a therapeutic approach at the Kurlana Tapa Youth Justice Centre to improve responses to children and young people, including those with a disability.
- Strengthen engagement and partnerships with Aboriginal communities and their organisations to improve outcomes for Aboriginal young people in the youth justice system.
- Commence the construction phase of the capital works project to consolidate the provision of youth custodial services into a single site at Goldsborough Road, Cavan.
- Commence a trial service model to provide an alternative location for police custody for children and young people aged 10 to 13 years.

4. Disability

4.1 Disability Inclusion

- Undertake a review of the operation of the Disability Inclusion Act 2018.
- Contribute to the development of the new National Disability Strategy 2021-2031.
- Undertake a review of Inclusive SA to ensure that it aligns with the new National Disability Strategy.
- Continue to support planning and strategies across South Australia to protect the safety and wellbeing of people with a disability through COVID-19.
- Commence development of a new safeguarding app for people living with disabilities, their families and their supporters, with the app to have inbuilt functions that can connect people to a community volunteer or seek a check on an individual's wellbeing.

4.2 Accommodation Services

- Continue to reform Accommodation Services to operate commercially under the NDIS and improve quality of service and customer engagement.
- Continue to recruit trainee disability support workers to work in DHS Accommodation Services.

4.3 DHS Equipment Program

- Provide equipment and home modification services to South Australians who are ineligible for the NDIS or other Commonwealth Ageing programs.

Commentary on Targets

While a number of the targets listed above are of interest to SACOSS, commentary is provided on the following key areas of interest:

Program 1: Communities

SACOSS welcomes the budget measures and targets that focus on strengthening communication, community connection and inclusion, as well as those that work towards improving support services for children and families.

Resilient Families Program: SACOSS has long advocated for resources to be directed towards early intervention and prevention and to keep children out of the statutory child protection system. We therefore welcome the target relating to developing the Department's Intensive Family Services, including the establishment of the *Resilient Families Program*. The program uses a 'Pay by Results' funding contract, with payments linked to program success. We look forward to additional information on the evaluation criteria and measures of success for this impact investment program, which is a relatively new funding model for the community services sector.

Community Connections program: We support the roll-out of the Community Connections program, which supports socially isolated adults who are not eligible for federal government schemes such as the NDIS and My Aged Care and can no longer access the phased-out Home and Community (HACC) program. SACOSS notes for the record that a very large number of people who live with a disability are not likely to be eligible for support from the NDIS and thus programs such as this will be vitally important.

Digital delivery mechanisms: While SACOSS is supportive of improved digital access to services provided through the Child and Family Support System (CFSS), such as that provided by the Adults Supporting Kids (ASK) web portal, as well as through improved customer interaction with the Screening Unit and Concessions, we are concerned about the many clients and low-income households that do not have access to digital devices and the internet, cannot afford the cost of mobile data, and who may not have the requisite digital literacy. The digital divide and lack of digital access will mean that many people will be unable to access services that are increasingly provided on online platforms.

Concessions: The performance indicators reveal that the number of Cost of Living Concessions provided over the previous year (201,000) exceeded the anticipated demand. This is probably due to the additional payments related to COVID-19 and the higher levels of unemployment, under-employment and financial stress experienced by many households. While concessions offer an important aspect of relief for low-income households and people experiencing poverty susceptibility, SACOSS looks forward to engaging in further discussions about better targeting, and responsive concessions, as well as evaluating the concessions system holistically to address gaps (e.g. waged poor households).

Gamblers' Rehabilitation: SACOSS supports the target directed towards releasing a future investment framework for the Gamblers' Rehabilitation Fund, following recent legislative

change, and implementing new prevention and early intervention initiatives in response to gambling harms, particularly the impact of gambling exposure on young people. We note that the previous year's target has been exceeded for the percentage of registered problem gambling clients who received services and experienced improvements in their lives. While this is a positive outcome, and given that the state gambling taxes increased in the last year (by \$29m more than expected), it is hoped that increased resources will be directed towards gambling prevention and rehabilitation programs as well as financial counselling services. SACOSS remains concerned about the level of transparency of the data that is available to understand the impacts of gambling harm in South Australia.

Aboriginal Language Interpreting Service: We welcome the implementation of the new Aboriginal Language Interpreting Service and note that the performance indicators for the percentage of translation requests completed and within agreed timelines have been positive (Agency Statement pg. 88).

Strong Futures: SA Youth Action Plan 2020-2022: While SACOSS supports the continued implementation of the strategies within the Strong Futures Youth Action Plan, it will be important to remain focused on the challenges faced by young people, especially due to South Australia still having the highest youth unemployment rate in the country. Lack of entry-level jobs, and the effects of COVID, have all impacted on the youth unemployment rate, particularly given that young people are generally employed in tourism and hospitality jobs that are highly casualised and precarious.

Linked to the principles included in the *Youth Action Plan*, SACOSS welcomes the *Stability Post Care program* to support young people until the age of at least 21 years as they transition from non-family-based out-of-home care, or who are in a family-based placement but at risk of homelessness. We therefore support the Department's commitment to providing support for care-leavers. However, we have reservations regarding the adequacy of the quantum allocated for this program particularly given that most young people leaving care have complex needs and are at risk of homelessness. The demand on the available funding per young person is likely to be compounded by the lack of available public or affordable housing.

Volunteers: SACOSS recognises the significant contribution made by volunteers in South Australia and supports the target to deliver the priorities of the *Volunteering Strategy for South Australia 2021-2027* in order to build the capacity of volunteer-involving organisations to engage, train, support and retain volunteers, including young volunteers, and to support and promote the benefits of volunteering to encourage greater participation.

Program 2: Status of Women

The targets under the Status of Women program continue to focus on and/or finalise important initiatives related to supporting women who are experiencing or at risk of domestic violence – for all women, including women in regional areas, through initiatives such as the Safety Hubs program.

The increase in the budget for the Status of Women program is significant, with the bulk of the additional funding directed to the Domestic Violence Support Package

Program 3: Youth Justice

SACOSS is pleased to see targets in the area of youth justice focused on a continuation of work being undertaken to develop and implement therapeutic approaches to improve responses to children and young people, including those living in the Kurlana Tapa Youth Justice Centre.

The responses relating to strengthening engagement and partnerships with Aboriginal communities, and their organisations, to improve outcomes for Aboriginal young people in the youth justice system are also welcomed. These responses will hopefully reduce the over-representation of Aboriginal children and young people in the youth justice system and better support the complex needs of vulnerable young people and their families.

The additional \$1.3 million over two years for the Youth Justice Program to provide a triage and support service for children who are at risk of being remanded into custody is welcomed. Every effort to keep children out of custody is positive – not only is it in the best interests of children, but it also contributes to the state’s commitment to the national Closing the Gap target to reduce the number of Aboriginal and Torres Strait Islander young people in incarceration by 30 per cent by 2031, and is aligned with the principle that children – including those who fall within in the category of the age of criminal responsibility (currently legislated at 10-13 years) – should not be locked up.

While we support the provision of decent and appropriate facilities, SACOSS remains concerned about the implications of the consolidation of youth custodial services into a single site at Goldsborough Road, Cavan. The realisation of this target will not necessarily be in the best interests of children and young people – increasing the size of custodial institutions will not automatically result in better outcomes for the children and young people who are held there. The co-location of an increased number of children at one site, and of varied ages, will require particular attention so as to ensure that each child’s developmental and safety needs are paramount. It is essential that decision-making regarding youth justice be motivated by the safety and achievement of positive outcomes for young people, and that any consequent efficiencies derived from co-location should be reinvested in appropriate programs and therapeutic supports of benefit to young people.

SACOSS is particularly interested in the target to commence a trial service model to provide an alternative location for police custody for children and young people aged 10 to 13 years. We look forward to developing a better understanding of this objective and outcomes, especially as we continue to advocate for the age of criminal responsibility to be raised from ten to at least 14 years of age, and that everything possible be done to keep children out of custody.

Program 4: Disability

SACOSS notes the various targets to improve disability inclusion, many of which are focused on reviews and legislative reforms, such as the operation of the *Disability Inclusion Act 2018*; the Disability Inclusion (Restrictive Practice-NDIS) Amendment Bill; *Inclusive SA*, and the development of a new National Disability Strategy 2021-2031. It is hoped that these review and reform processes will result in improved outcomes for people living with disability.

The Disability Inclusion (Restrictive Practice-NDIS) Amendment Bill was passed by the South Australian Parliament in May 2021. While SACOSS welcomes the additional funding to ensure the protection of people's human rights and proper safeguarding the implementation of restrictive practices, we urge that these practices are only ever used as a last resort and in accordance with individual behaviour support plans. It is hoped that this funding supports and enables services and service workers to comply with the national principles for restrictive practices authorisation.

The new measure within the Disability program – the allocation of \$500,000 in 2021-22 for the development of a new safeguarding app – is designed to enable people living with disabilities easier access to support services, as well as advocacy and complaint services. In particular, this app may be of benefit to people living in regional and remote areas who will have the choice to access virtual visits and consultations. It is hoped that this app is designed and implemented in a manner that will ensure people's privacy and that it will complement, rather than substitute, face-to-face interaction and contact.

The target under *4.2: Accommodation Services* to recruit trainee disability support workers to work in DHS Accommodation Services is a positive one. However, the 2021-22 budget allocation for FTEs within this sub-program indicates a reduction from the previous budget and its estimated result.

Similarly, the target to provide equipment and home modification services to South Australians who are ineligible for the NDIS or other Commonwealth Ageing programs (under the *4.3 DHS Equipment Program*) is a positive one. However, it is noted that this sub-program will be subjected to a significant reduction in its FTE positions, and that the number of equipment repair and maintenance requests completed by the DHA Equipment program was significantly less than that reflected in the 2020-21 projection and estimated result (Agency Statement pg. 98). While it is recognised that the reduced response in providing repairs and maintenance may have been a result of COVID-19 restrictions, the other activity indicators – such as the number of home modifications undertaken – do not reflect a similar reduction, but an increase. Equally, there is a recognition that the great majority of people who live with disability may not necessarily have access to programs such as the NDIS. In that context, access to these life-enabling supports is essential, and thus demand for these types of support is likely to be high.

Department of Health and Wellbeing

Department and Program Funding

Health represents the largest area of expenditure in the state budget and is divided into a variety of programs and sub-programs, with service delivery primarily via geographic Local Health Networks (LHNs). This analysis is based on the net costs of services – that is, the net cost to the state taxpayer after accounting for Commonwealth and other revenue. The total expenditure and changes are evident in Table 6 (page 33), showing an overall slight increase (0.5%) from the 2020-21 budget to the 2021-2022 budget, which is a decrease in health expenditure from the 2020-21 actual expenditure to the 2021-22 budget (-4.9%).

Additional to the figures in this table is a \$361m contribution from the 2020-21 budget to an investment program for health infrastructure, which includes money for the announced new mental health facilities, Women’s and Children’s Hospital, and other upgrades and infrastructure (compared to \$378m budgeted for 2020-2021, but \$314m expended).

The table shows that this increase in budgeted expenditure is driven by the extra 1.9% (in real terms) spent on health services. This is partially offset by the Policy, Clinical, Systems, and Administration program, and System Enhancement program, both receiving cuts in expenditure in real terms.

Most subprograms under Health Services received an increase in their 2021-2022 budget compared to their 2020-2021 budget, but a decrease in their 2021-2022 budget compared to actual 2020-2021 expenditure. The exceptions to this were the Southern Adelaide and Barossa Hills Fleurieu LHNs, which both received a 2021-2022 budget that was higher than their 2020-2021 expenditure. For the Southern Adelaide LHN, this reflects an \$11m shift in drug and alcohol funding from subprogram 1.3 in Policy, Clinical, Systems, and Administration to this LHN. For the Barossa Hills Fleurieu LHN, the key reason for the increased budget in this LHN was cited as an \$8m government commitment to traineeships and \$7m for annual indexation. The budget papers attribute most of the increases from the 2020-2021 budget to 2020-2021 actual expenditure to increased costs of providing hospital services. Likewise, the increases in 2021-2022 budgets from 2020-2021 expenditure are largely ascribed to increased costs of providing hospital services. These increases in health service expenditure have outpaced the increases in Commonwealth revenue associated with the National Health Reform Agreement noted by most programs.

The expenditure cut in real terms to Policy, Clinical, Systems, and Administration reflects changes to expenditure in Corporate and Systems Support Services, including \$11m of expenditure that was transferred to Southern Adelaide LHN (as described above), and \$11m of one-off measures from 2020-2021 that have ceased. The System Leadership and Design subprogram, which is tasked with managing the COVID-19 vaccine rollout, received an increase in budget (which also reflects the health call centre moving from Wellbeing SA into this program). The expenditure cut to System Enhancement largely reflects the cut in expenditure to Wellbeing SA, which the budget attributes to the cessation of a once-off \$3.7m COVID-19 response expenditure on a Statewide Wellbeing Strategy. Nevertheless, even taking into account this once-off expenditure, Wellbeing SA has received an

expenditure cut in real terms, meaning Wellbeing SA, which is the main home of health promotion and prevention in the health system, is languishing on 1.5% of the health budget, down from 1.7% in the 2020-2021 budget. This is particularly troubling to SACOSS given that we will only ultimately drive down presentations at tertiary health services by making strong investments in the development of a primary community-based health system with a strong community engagement and prevention focus.

Table 6: Comparison of expenditure on Health and Wellbeing programs

Program	2020-2021 Budget (\$000)	2020-2021 Estimated Expenditure (\$000)	2021-2022 Budget (\$000)	% Change 2020-21 Budget vs 2021-22 Budget (real terms)	% Change 2020-21 Estimate vs 2021-22 Budget (real terms)
1. Policy, Clinical, Systems & Admin	789,310	869,288	760,805	-5.1	-13.8
1.1 Health Regulation & Protection	69,132	73,531	68,200	-2.8	-8.6
1.2 System Leadership & Design	45,774	59,711	58,782	26.5	-3.0
1.3 Commissioning & Performance	142,240	146,967	125,606	-13.0	-15.8
1.4 Corp & Systems Support Services	532,164	589,079	508,217	-5.9	-15.0
2. Health Services	3,386,275	3,548,269	3,504,285	1.9	-2.7
2.1 Central Adelaide LHN	1,316,959	1,406,155	1,339,476	0.2	-6.2
2.2 Nth Adelaide LHN	471,298	489,385	492,327	2.9	-0.9
2.3 Sth Adelaide LHN	616,206	645,867	659,849	5.5	0.6
2.4 Women's & Children's LHN	300,068	308,043	311,435	2.2	-0.4
2.5 Barossa Hills Fleurieu LHN	162,533	160,980	166,624	1.0	2.0
2.6 Eyre & Far North LHN	28,656	30,665	30,652	5.4	-1.5
2.7 Flinders LHN	72,299	76,895	74,900	2.0	-4.1
2.8 Riverland Mallee Coorong LHN	79,561	82,268	81,691	1.1	-2.2
2.9 Limestone Coast LHN	73,238	76,225	76,123	2.4	-1.6
2.10 Yorke & Nth LHN	80,976	83,997	82,881	0.8	-2.8
2.11 SA Ambulance Service	184,481	187,789	188,327	0.6	-1.2
3. System Enhancement	76,750	75,801	72,460	-7.0	-5.8
3.1 Commission on Excellence & Innovation in Health	5,960	5,897	5,930	-2.0	-0.9
3.2 Wellbeing SA	70,790	69,904	66,530	-7.4	-6.3
Total	4,252,335	4,493,358	4,337,550	0.5	-4.9

Dollar values are nominal and represent net cost of services. Changes are in real terms, adjusted for 1.5% inflation

Overall, Health and Wellbeing is set to employ 33,158 FTE in 2021-2022, which is a 1.0% increase on the 2020-21 budget, but a -1.7% decrease on the actual FTE in 2020-21. This suggests an overall reduction of 580 FTE will occur next financial year. The increase in budgeted FTE is solely from the Health Services Program, which saw a 1.3% increase in FTE from the last budget, driven by increases in FTE for the Central Adelaide LHN and the SA Ambulance Service.

Commentary on Targets

The health portfolio contains 102 targets over four program areas, with 71 of the targets in the Health Services program. These Health Service targets largely focus on improvements to clinical care. However, there are some targets that focus on priority populations, community participation, and prevention and health promotion, discussed below.

Targets related to priority populations:

- Build a sustainable rural emergency nurse practitioner workforce aligned to the rural emergency nurse practitioner model of care. (Sub-program 1.2: System Leadership and Design)
- Deliver a statewide Gender Diversity Model of Care, and Renal Services Plan. (Sub-program 1.2: System Leadership and Design)
- Co-design and launch the Northern Adelaide LHN Aboriginal Health Framework and Action Plan 2021-2026, and the Northern Adelaide LHN Stretch Reconciliation Action Plan 2021-2024. (Sub-program 2.2: Northern Adelaide LHN)
- Implement stage 2 of the gender dysphoria service. (Sub-program 2.4: Women's and Children's Health Network)
- Develop a Traditional Healers program, inclusive of children and adolescents under 18 years of age. (Sub-program 2.4: Women's and Children's Health Network)
- Complete improvements to the Strathalbyn Aged Care Lifestyle facilities. (Sub-program 2.5: Barossa Hills Fleurieu LHN)
- Develop an Eyre and Far North LHN Aged Care Plan, aligned with the Age Friendly SA Strategy. (Sub-program 2.5: Barossa Hills Fleurieu LHN)
- Implement recruitment strategies to increase the Aboriginal workforce within Flinders and Upper North LHN to work towards building a Centre of Excellence in Aboriginal Health. (Sub-program 2.7: Flinders and Upper North LHN)
- Develop a regional aged care strategy in response to the Age Friendly SA Strategy and the Commonwealth Government Royal Commission into Aged Care Quality and Safety. (Sub-program 2.8: Riverland Mallee Coorong LHN)
- Develop a Riverland Mallee Coorong LHN Aboriginal Health Strategy and Reconciliation Action Plan. (Sub-program 2.8: Riverland Mallee Coorong LHN)
- Implement strategies to increase the Aboriginal workforce within Riverland Mallee Coorong LHN. (Sub-program 2.8: Riverland Mallee Coorong LHN)
- Develop an Aboriginal Health Promotion Strategy. (Sub-program 3.2: Wellbeing SA)

SACOSS welcomes these strategies and programs that work to ensure appropriate care for communities experiencing disadvantage and exclusion, who may otherwise be less able to access and benefit from health care. We welcome the targets relating to Aboriginal health,

gender, and aged care. In particular, there are a strong range of strategies addressing Aboriginal health, including a Traditional Healers program in the Women's and Children's Health Network, and Wellbeing SA's target to develop an Aboriginal Health Promotion Strategy. It is highly desirable to capitalise on the leadership and strength Aboriginal communities have demonstrated in protecting members of their community in responding to the coronavirus pandemic.

Similarly, as people living in rural and remote areas experience poorer health and access to health care, the targets focused on improving access to health care in rural and remote areas, such as the sustainable rural emergency nurse practitioner workforce target, are positive. We also acknowledge that the targets of the rural and remote Local Health Networks, by definition, focus on improving health care for people living in rural or remote areas. Previous research by SACOSS in partnership with the Southgate Institute, Flinders University, has found that health inequities in South Australia have increased over the past few decades, so these targets are an important part of the picture of reversing this trend.

Targets related to community participation:

- Establish community and consumer activities to support the implementation of the Northern Adelaide Local Health Network Consumer and Community Engagement Strategy 2020-25. (Sub-program 2.2: Northern Adelaide Local Health Network)
- Implement the Yorke and Northern Local Health Network Consumer and Community Engagement Strategy. (Sub-program 2.10: Yorke and Northern Local Health Network)
- Initiate a statewide platform for patient-reported experience and outcomes within the community. (Sub-program 3.1: Commission on Excellence and Innovation in Health)

These targets show willingness for the health system to consult with communities to improve the implementation of health care, ensuring it responds to community needs. This is particularly welcome in light of the recent defunding of the Health Consumers Alliance of South Australia, which provided a strong consumer voice that is now lost. SACOSS encourages efforts towards ensuring communities experiencing disadvantage and exclusion are included in these community participation opportunities, to ensure that the health system meets the needs of all South Australians.

Targets related to prevention and health promotion:

- Continue to implement an effective public health response to prevent community transmission of COVID-19 in South Australia, including the COVID-19 vaccine rollout. (Sub-program 1.1: Health Regulation and Protection)
- Develop a strategic five-year Public Health Plan which includes addressing the health/environment interface (Sub-program 1.1: Health Regulation and Protection)
- Continue the implementation of the COVID-19 vaccine management system for South Australia (Sub-program 1.4: Corporate and System Support Services)
- Continue to implement the Wellbeing SA Strategic Plan 2020-2025. (Sub-program 3.2: Wellbeing SA)

- Develop and release the next South Australian Suicide Prevention Plan 2022-2025. (Sub-program 3.2: Wellbeing SA)
- Continue implementation of the SA Mental Health Strategic Plan 2017-2022, and the Mental Health Services Plan 2020-2025. (Sub-program 3.2: Wellbeing SA)
- Develop the Wellbeing SA Integrated Care Strategy. (Sub-program 3.2: Wellbeing SA)
- Develop a statewide Wellbeing Index. (Sub-program 3.2: Wellbeing SA)

These targets show a welcome focus on COVID-19 responses, mental health, and other public health priorities. SA has historically been a world leader in health promotion, with Health in All Policies and Healthy Cities pursuing innovative methods to improve the health of communities. Prior to the Review of Non-Hospital Based Services in 2013, South Australia also had a vibrant, state-funded multidisciplinary community health sector that focused on equity and health promotion. The establishment of Wellbeing SA in 2020 indicates a welcome return in focus to prevention and health promotion, and it is notable that many of the targets above are listed under the Wellbeing SA program, as well as their Aboriginal Health Promotion Strategy, listed in the first category of targets. However, there are no measures or targets in the budget that aim to revitalise the state community health sector.

We particularly welcome the development of a five-year Public Health Plan, particularly since it focuses on the “health/environment interface” and especially if its implementation is well resourced. The social, commercial, and environmental determinants of health are critical to tackle in order to safeguard the health and wellbeing of South Australians, as people’s living circumstances and environments have a large influence on their health. We hope this activity signals an investment of appropriate resources to underpin the plan, and we urge Wellbeing SA to continue to emphasise health equity, to ensure the plan benefits those experiencing the most disadvantage.

While SACOSS welcomes the general considerable budget investments in our health system, and acknowledges the COVID-19 and other prevention measures in the budget, and in the targets listed above, we remain concerned about the much lower profile of prevention and health promotion compared to targets and spending on tertiary care. Baum et al relate how an ex-health minister described the health portfolio as having two components:

“There’s health services, which is like a swamp full of crocodiles, and public health which is like a very pleasant garden’. The public servant noted that most ministers try and spend as much time ‘in the garden’ as possible, but warned the minister to ‘make sure there’s a fence around the swamp and the crocodiles can’t get out first.’ (Baum, Laris, Fisher, Newman, & MacDougall, 2014).

This budget is very much fencing the crocodiles, while the garden of public health and community primary health care services that flourished from the 1970s to the 2000s, based on a community-led, social view of health, grows ever more untended and overrun. SACOSS is very concerned that this budget further entrenches biomedical and crisis-driven approaches to health, and an alternative vision of health care that would truly be able to respond to the needs of the community, particularly communities experiencing disadvantage and exclusion, continues to recede in the rear-view mirror.

Department of Child Protection

Department and Program Funding

There is only one program within the Department of Child Protection, namely, *Care and Protection*. Aside from Education, Child Protection is the only agency to experience an increase in its real expenditure from last year to this budget year. The increase in funding for this Agency in 2021-22 is reflected in the allocation of \$644m compared to the \$606m in the previous budget. While this Department is receiving an increase in its operating expenditure, it reflects an overall smaller percentage change relative to the 2020-21 budget – a percentage change of 4.5 per cent in 2021-22 compared to a change of 6.4 per cent from the 2019-21 to 2020-21 budget.

Noting the budget measure to provide additional resources for child protection statutory responses (an additional \$9.9m in 2021-22 increasing over the forward estimates to \$12.2m per annum by 2024-25), SACOSS contends that while the extra funding may be necessary to respond to the ever-increasing number of children in out-of-home-care, it is essential that those children and young people receive the best possible support, the allocation of an equivalent or increased amount of money directed towards early intervention, creative responses and support would potentially, over time, reduce the need for such increased expenditure at the tertiary end of the child-protection system. We are distressed that the number of children and young people in out-of-home care now stands at 4,485, and that the increased funding allocation in the previous budget appears to have done little to remedy this ever-increasing number. The projected number in the Agency's statement for 2021-22 is 4,694 – an increase of 209 children and young people whose lives and wellbeing will be predictably jeopardised because our community, and the government, are collectively failing to adequately support and guide families in a more effective and meaningful way.

As indicated in the Agency Statement (pg. 89), the estimated result for 2020-21 indicates that there were 38,759 notifications of child abuse or neglect that were assessed as requiring further action. However, there were only 6,958 investigations of child abuse notifications, of which 2,676 were substantiated. The Statement does not reflect the total number of notifications that were made to the Department or the number of notifications that were assessed as not requiring further action and/or closed.

The Department's performance indicators set out the Department's response time to notifications, showing that the percentage of investigations that commenced within seven days from notification decreased to 76.2 percent from a targeted 83 per cent (Agency Statement pg. 89). Similarly, the percentage of children and young people who were the subject of a substantiation during the previous year who were also the subject of a subsequent substantiation within twelve months has increased from the 2020-21 target of 15 per cent to an estimated result of 17.7 per cent. These performance and activity indicators (Agency Statement pg. 89) point to children and families being failed and in need of more rapid and comprehensive responses supporting families to stay together safely.

The 2021-22 staffing for the Department indicates a smaller FTE change relative to the previous year (a 1.5 per cent change relative to the 4.9 per cent change from 2019-20 to 2020-21). This relatively small FTE change in the 2021-22 budget may be accounted for by

the increasing level of outsourcing of service provision through, for example, a social impact bond initiative, service delivery by non-government organisations, and the procurement of Aboriginal Community Controlled Organisations to implement Aboriginal-specific services. However, SACOSS remains concerned by the incremental decrease of full-time equivalent staff year on year, as well as the lack of detail regarding the funding and staffing complement of outsourced initiatives; this makes it difficult to determine a more accurate picture of the resourcing directed towards the provision of child protection services. In particular, we are concerned by recurring reports of staff shortages in the child protection system, more especially in state-run child care homes where a minimum of 60 care workers have been identified as necessary in order to meet the essential demands of the system.⁴ As indicated in the 2021-22 budget measures, an additional 25 FTEs have been allocated, but we remain concerned that this number will not address the shortfall in frontline staffing and care workers.

The Department's apparent reduction in previous funding directed to financial counselling services is very worrying. South Australia currently has the highest rate of unemployment in Australia and very high levels of underemployment, and the economic recovery from the COVID pandemic is likely to be extended. As a consequence, there is likely to be an increased demand for financial counselling services, as more families find themselves experiencing financial stress as a result of below the poverty-line payments such as JobSeeker and Parenting Payments, and no longer having the support of JobKeeper. Other factors include the lack of affordable housing, the cost of childcare, and the rising cost of living, as well as increased utility bills over winter.

Program	2020-21 Budget (\$000)	2020-21 Actual (\$000)	2021-22 Budget (\$000)	% Change 2020-21 Budget vs 2021-22 Budget (real terms)	% Change 2020-21 Estimate vs 2021-22 Budget (real terms)	2020-21 FTE Staff	2021-22 FTE Staff	% Change
1. Care and Protection	606,441	605,589	643,583	4.5	4.7	2270	2305	1.5

Dollar values are nominal, changes are in real terms, adjusted for 1.5% inflation

⁴ Novak, L (2021). 'Public sector union warns staff shortages are putting children in state care at risk' *The Advertiser* at <https://www.adelaidenow.com.au/news/south-australia/public-sector-union-warns-staff-shortages-are-putting-children-in-state-care-at-risk/news-story/cb27d065cc0db9fa4109f6485a0f7521>

Targets 2021-22

1. *Care and Protection*

- Implement a new model of care for Supported Independent Living Services for young people transitioning from care.
- Procure an Aboriginal Community Controlled Organisation to implement an Aboriginal-specific family group conferencing service.
- Support a community-led consultation process to develop a model for an Aboriginal peak body for children and young people, for implementation in 2022-23.
- Re-design post-care services for young people leaving care to the age of 21 years.
- Trial a new model of specialist family-based care.
- Design and introduce a new model of support for kinship carers.

Commentary on Targets

The targets associated with providing care for young people transitioning from care are particularly welcomed – including the target to ‘Implement a new model of care for Supported Independent Living Services for young people transitioning from care’ and to ‘re-design post care services for young people leaving care to the age of 21 years’.

SACOSS is pleased to see the inclusion of targets relating to a more active focus and engagement with Aboriginal and Torres Strait Islander families and children through the development of an Aboriginal peak body for children and young people, the inclusion of the Aboriginal Child Placement Principles in the *Children and Young People (Safety) Act 2017*, and the engagement of an Aboriginal Community Controlled Organisation (ACCO) to implement an Aboriginal-specific family group conferencing service. It is hoped that this positive engagement will lead to an improvement in the percentage of Aboriginal children being placed in accordance with the Aboriginal Child Placement Principles, noting that the 2020-21 target of 70 per cent was arguably too low and still was not reached, with only 65.9 per cent of children placed in accordance with these Principles.

It is noted in the highlights for 2020-21 that the Department ‘implemented a new pilot service led by three ACCOs to provide culturally-specific support and training to kinship carers of Aboriginal children and young people’, and that a new target for 2021-22 includes the designing and introduction of a new model of support for kinship carers. It would be useful to know whether the proposed ‘new model of support for kinship carers’ provides continuity and has emerged out of the work done by the three ACCOs, or is a new initiative.

The review of the *Children and Young People (Safety) Act 2017* provided the opportunity to address a number of flaws identified by SACOSS and our partner organisations when the legislation was drafted. While the first-year legislative amendment process has been undertaken and the amending Bill has been tabled, SACOSS remains concerned about certain provisions in the proposed Bill, which have been identified and communicated to the Minister for Child Protection and the Department. The majority of concerns relate to the inconsistent application of the principle of ‘the best interest’ of the child.

The 2020-21 budget’s Agency statement indicated a target to recruit a minimum of 50 additional foster carers and continue to increase the number of family-based placements for

children and young people in care. The highlights in the 2021-22 budget indicate that the Department 'worked with non-government agencies to increase the number of foster carers and family-based placements'. However, it is not clear whether the targeted increase of an additional 50 foster carers was met.

The Department's performance indicators (Agency Statement Vol. 1 pg. 89) state that the estimated result of the percentage of children and young people placed in family-based care as a proportion of all children and young people in out-of-home care is 85.8 per cent, which is less than the target set for 2020-21 at 86.4 per cent. We look forward to learning more about the 2021-22 target to 'Trial a new model of specialist family-based care' and hope that this will lead to improved family-based placements that result in better outcomes for children.

At the same time, we continue to emphasise the critical need to invest in strengthening and working alongside families and children so as to reverse the ever-increasing number of children being placed in out-of-home care. SACOSS agrees that every effort needs to be made to respond and engage with families as early as possible so as to keep children safe and ensure that the current 4,485 children and young people in out of home care (Agency Statement pg. 89) is significantly reduced.