



SACOSS

State Budget Analysis 2020-21



SACOSS

*South Australian Council
of Social Service*

17 November, 2020

Overview

SACOSS has prepared this analysis of the 2020-2021 South Australian State Budget for the benefit of its members.

The first section provides the broad political-economic context of the budget, followed by sections summarising key Budget initiatives in relevant areas, 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, beginning 2020-21, unless otherwise referenced.

The next section analyses the Agency Statements (Budget Paper 4) for three departments: Health and Wellbeing, Human Services and Child Protection. The analysis examines departmental transparency, and the policy directions evident in funding outcomes, targets and initiatives relevant to our sector and to vulnerable and disadvantaged people.

The final section looks at the fate of the budget proposals put forward by SACOSS in our budget submission in January this year – recognising that much has changed since then.

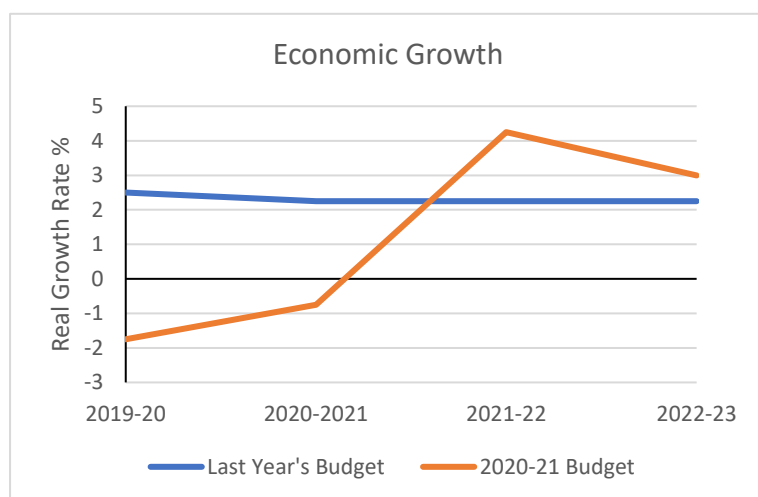
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1. Economic Context and Budget Outcomes

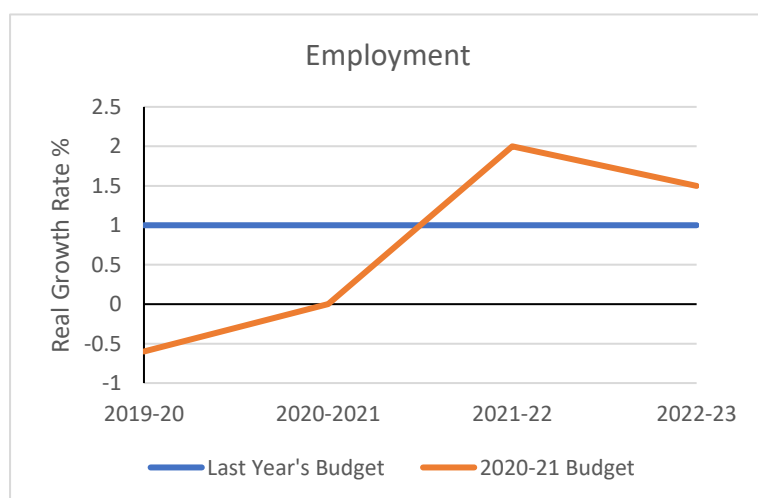
This budget comes against the background of a long-term drought, sluggish economic growth in South Australia, and sustained relatively high levels of unemployment. But more immediately, the budget is framed by the unique challenges of the combination of destructive bushfires last summer and the COVID-19 pandemic – the response to which required the restriction or shutting down of significant parts of the economy. While the numbers of COVID cases in South Australia were low, and the harshest period of shutdown was mercifully short, there was nonetheless an immediate rise in unemployment and under-employment. Even as the state and country re-open, there are ongoing border closures (including international borders) and the economic impacts will continue to be felt for a significant period.

The impact of these crises on the economy and the difficulties in accounting for them can be seen in the following graphs of key economic indicators. The blue lines are the forecasts from last year’s budget, the orange lines are the comparable figures from this year’s budget.



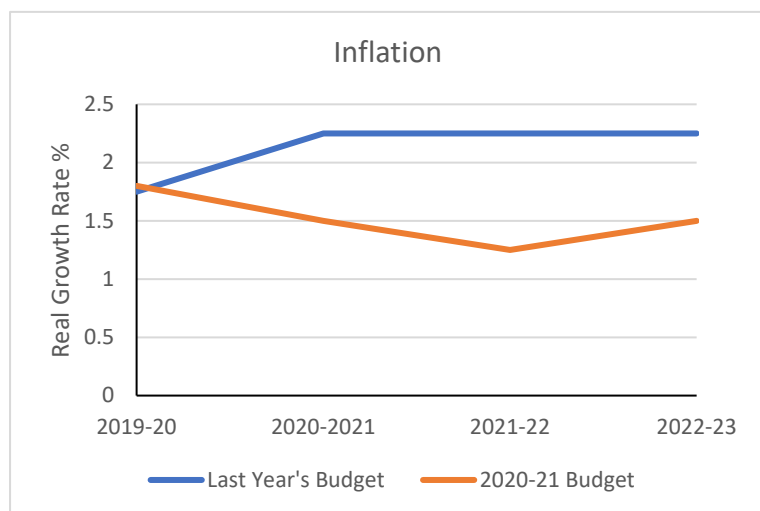
By comparison with a fairly stable growth path predicted in last year’s budget, South Australia’s economic growth (measured by Gross State Product) plummeted in 2019-20 to negative 1.75%. The rate of decrease will slow in 2020-21, but we will still see GSP contract by a further estimated 0.75%. Real growth is not expected again until 2021-22. While the expected 4.25% growth in that

year sounds impressive, around half of that will simply restore GSP to pre-COVID levels. Further, it is important to recognise that not all industries will share this growth path.



Employment numbers are expected to follow a similar path to economic growth, again starting from a contraction of job numbers in 2019-20 – both absolutely and relative to what was predicted in last year’s budget. With the phased withdrawal of Commonwealth subsidies, and despite the budget stimulus in the state budget, no employment growth is predicted for 2020-21. The

ABS data for the first months of this financial year has shown significant employment growth in SA, so the outlook may be more positive, but it will depend on the impact of the winding back of JobKeeper and JobSeeker payments. Again, the budget forecasts that employment will only begin growing again in 2021-22.



Inflation follows a different path. Despite price deflation in the June quarter of 2020, the annual inflation rate was still 1.8% according to the budget papers (although the ABS CPI data says 0.8%). Either way, as SACOSS' recent *Cost of Living Updates* have noted, prices are generally not increasing massively and most of the cost of living pressures on households are currently about low income or losses of income.

Against this background, the state budget was required to navigate massive changes in government expenditure and revenue in the last year, arising from the unbudgeted expenditure to assist those impacted by the bushfires, the extra health and police spending required to deal with the direct response to COVID-19, and the need for measures to stimulate economic growth and employment. This navigation was made more difficult because, as the need for expenditure was increasing, tax revenues were decreasing due to a decline of taxable economic activity, and also the tax breaks implemented to support businesses facing closure or decline.

The details of the revenue and expenditure changes will be discussed below, but the overall result was a budget headline that was all about the size of the deficit and the accumulated state debt. Last year's budget forecast a surplus in 2019-20 of \$94m, but this surplus disappeared and the end result was a deficit of nearly \$1.5bn. This year's budget projects a deficit of \$2.6bn for 2020-21 with the budget not achieving a surplus until 2023-24. The result is that debt will continue to grow over the forward estimates to \$24bn by 2023-24.

2020-21 Budget Debt and Deficit Projections

	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
Operating Balance (i.e. surplus)	-1,485	-2,590	-1,423	-435	406
Net Debt ¹	10,537	15,270	19,366	22,043	24,489

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

While such numbers would have drawn cries of alarm in many pre-COVID political and economic discourses, the South Australian government is to be congratulated for its willingness to spend money to stimulate the economy and to carry debt into the future. The alternative of an austerity path, cutting expenditure to balance the budget, would lead to a much deeper economic crisis and many more people out of work.

It should also be recognised that while government debt has increased in this budget, with interest rates at historic low levels, the costs of paying back that debt has actually decreased. As the table below shows, the interest payable on state debt in the four years from 2019-20 to 2022-23 is around \$500m less than was expected in last year’s budget.

Interest Expenses – General Government Sector (\$m)

	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
Last year’s Budget	518	586	682	814	
This year’s Budget	464	473	548	614	679
Difference	-54	-113	-134	-200	

These savings on interest payments are a boon for the budget and again underline the practicality of the government’s budget approach. However, it does mean that future budgets will be more vulnerable to interest rate changes beyond the control of the government. As SACOSS has long argued, in the medium –term, action will be needed to address the tax base to ensure that vital services can be adequately funded. However, in this budget the deficit-debt strategy was the right way to address the revenue shortfalls and fund the necessary government services and stimulus expenditures. It is to the details of these revenue shortfalls and expenditure increases that we now turn.

Expenditure

Aggregate Expenditure

Government expenditure is the means by which the government provides the public infrastructure and services that the community needs. In the context of economic recession, it is also a way to stimulate the economy – funding infrastructure and programs that employ people and put money into the economy, creating further demand and employing more people.

Government expenditure initiatives are a key part of the COVID-19 economic response and a centrepiece of this year’s budget. Indeed, the Budget Statement (Budget Paper 3) begins with two pages of dot points listing stimulus initiatives. These include headline measures packaged in programs such as:

- Economic and Business Growth Fund (\$220m)
- Community and Jobs Support Fund (\$250m)
- Business and Jobs Support Fund (\$530m)
- Digital Restart Fund (\$120m)

Many of these measures were implemented in the last financial year, but are recorded in this year's budget papers because they changed last year's budget outcomes (which are the baseline for this year's budget), and because many of the expenditures continued into this year's spending. Overall, the result of all spending measures was that general government operating expenditure in 2019-20 was \$1.7bn higher than estimated in last year's budget, while this year's budgeted expenditure is higher again. It is \$2bn higher than the pre-COVID normal base in the 2019-20 budget.

However, as the table below shows, when adjusted for inflation, the big growth in expenditure happened last year and there is little real growth in expenditure in this year's budget or over the forward estimates. Indeed, expenditure is expected to contract in 2022-23 as the stimulus approach pulled back.

	2019-20 Budget \$m	2019-20 Actual \$m	2020-21 Budget \$m	2021-22 Estimate \$m	2022-23 Estimate \$m	2023-24 Estimate \$m
Total Expenses \$m	20,104	21,817	22,157	22,425	22,513	23,109
Real Growth		6.0%	0.1%	0.0%	-1.1%	0.9%

The initiatives and program changes that make up the overall increase in expenditure in this year's budget will be analysed in the Budget Measures section of this document (at least as they relate to SACOSS' concern for vulnerable and disadvantaged South Australians). However, it is important to realise that alongside the trumpeted stimulus expenditure, the budget also contained "operational savings" – which are essentially cuts to department budgets.

Budget Cuts – Operational Savings

Each year, departments' budgets are automatically increased by a fixed percent to cover increases in wages and costs. This increase is currently 2.5%, but the requirement for operational savings effectively takes some of this money back – reducing the increases needed to cover costs. As SACOSS has pointed out in relation to previous budgets, rather than being "efficiency measures" these operational savings are simply cuts to departmental funding where the Minister escapes having to announce program cuts and moves responsibility for the cuts onto the Department itself. Such cuts can often result in fewer or poorer-quality services.

Further, it is important to note that these cuts are cumulative. In last year's Budget Analysis SACOSS pointed out that the \$360m of efficiency measures required by the Budget came on top of savings measures from previous budgets – Labor's 2017-18 Budget and mid-year review, and further cuts the year before. The end result was total savings required of a massive \$3.4bn over the four years of the budget. This year's budget adds another \$198m in cuts over 4 years, with this year's cuts as follows:

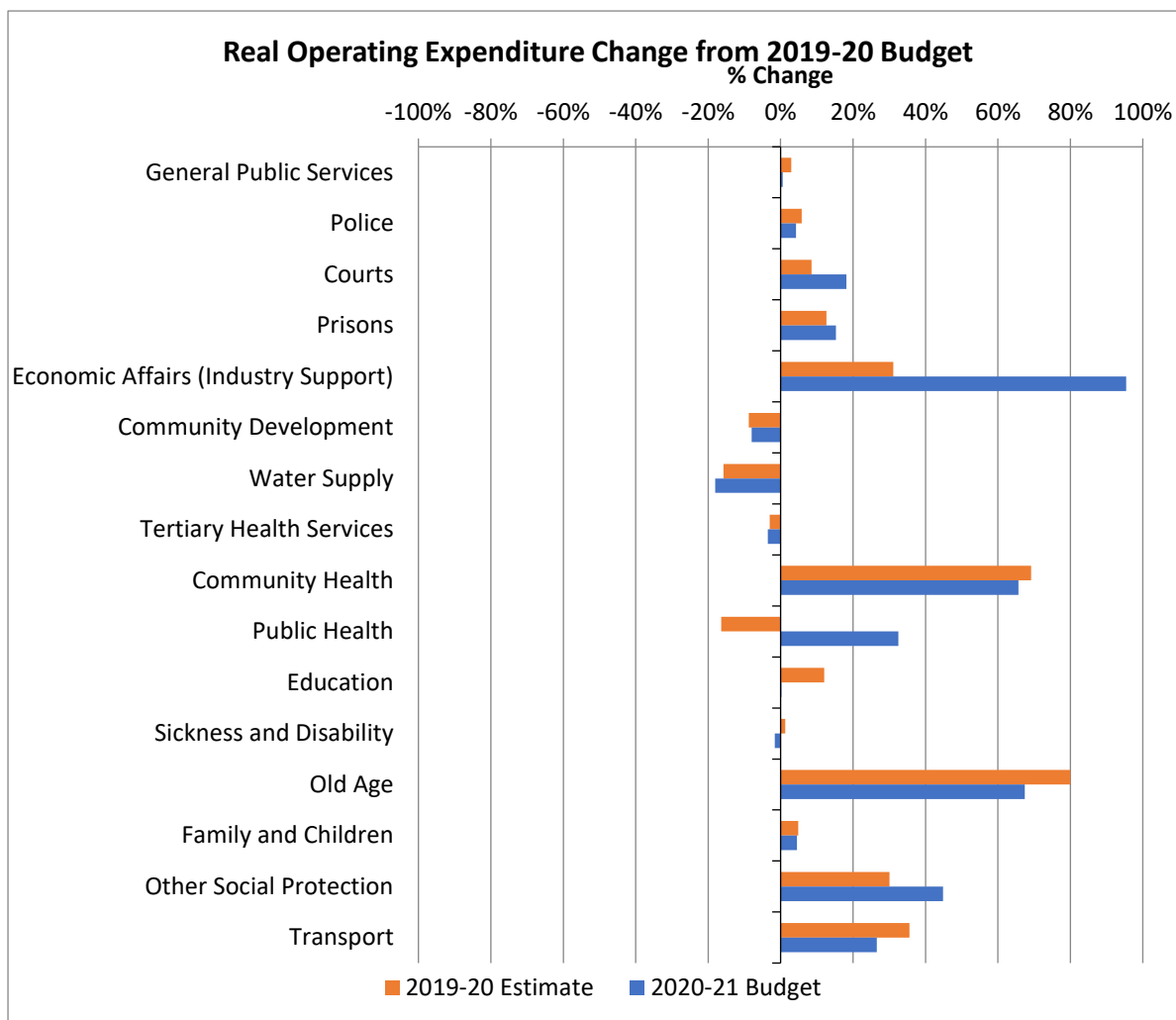
Department	Operating Saving 2020-21 \$m	% of 2020-21 Operating Budget
Child Protection	4.5	0.8
Correctional Services	2.7	0.8
Courts	0.5	0.5
Defence SA	0.5	0.5
Education	7.5	0.2
Energy and Mining	1.5	0.8
Environment Protection Authority	0.4	1.2
Green Industries	0.5	0.6
Health and Wellbeing	6.5	0.1
Human Services	3.6	0.3
Innovation and Skills	1.9	0.5
Infrastructure and Transport	1.0	0.1
Premier and Cabinet	3.3	1.0
Primary Industry & Regions	1.7	0.9
Tourism	2.5	2.2
Treasury and Finance	3.0	1.3
SA Housing Authority	1.5	
Urban Renewal Authority	0.1	
Total	43.0	0.2

Departmental Bottom Lines

The following graph shows the end result of all these changes in expenditure (new measures and savings) compared to a base of the pre-COVID 2019-20 budget. It shows the difference between the actual expenditure last year and the projected expenditure this year 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 2020-21 figures adjusted for inflation.²

Essentially, the red bars are the COVID-response changes that happened in the last financial year, while the blue bars are the ongoing expenditure changes; that is, the changes in expenditure this year by comparison with the pre-COVID budget.

² Housing development has been removed from the categories because a \$65m funding initiative in 2021 against a background of only \$1m expenditure in 2019-20 distorts the scale of the graph and renders the other data unintelligible.



Obviously, the increased expenditure on community and public health, old age and social protections are particularly welcomed by SACOSS, although as the graph shows, expenditure in community health and old age is less this year than last year, but still significantly above the pre-COVID base of the 2019-20 budget. By contrast, SACOSS is concerned by the decrease in expenditure on community development, but we are not sure what specific cuts have driven this result.

Perhaps most importantly though, the graph clearly shows the focus on industry support last year and particularly this year, where it is the largest increase by comparison with the 2019-20 budget – both in percentage terms, but also in real dollars, with a \$698m increase. This reflects and contributes to the nature of the stimulus packages, which overall are heavily focused on providing money to businesses (through grants, tax concessions or other direct supports). There is some significant infrastructure spending in the budget, but the general approach to stimulus is to provide support to business and assume that business and the market will then drive the economic recovery.

While SACOSS supports the overall push to stimulate the economy, we are not sure that the balance of expenditure options is right. The business focus means that there were

significant missed opportunities where direct government expenditure and intervention could have provided an equal or better stimulus, and provided better social outcomes.

The most obvious missed opportunity in this category is the failure to invest in social housing. As will be discussed in the section below dealing with particular budget measures, although there were some homelessness measures announced, they are inadequate to address the problem of housing affordability and homelessness. SACOSS has argued in previous budget submissions that a significant investment in public housing would provide a stimulus to the construction industry, and provide direct and guaranteed jobs in building and maintenance (with flow-on demand and stimulus to other industries) as well as providing much needed social infrastructure to support vulnerable and disadvantaged South Australians. It could also relieve pressure on the private rental market and make renting more affordable for those at the low end of the market. It was disappointing that such an opportunity was not seized in this budget.

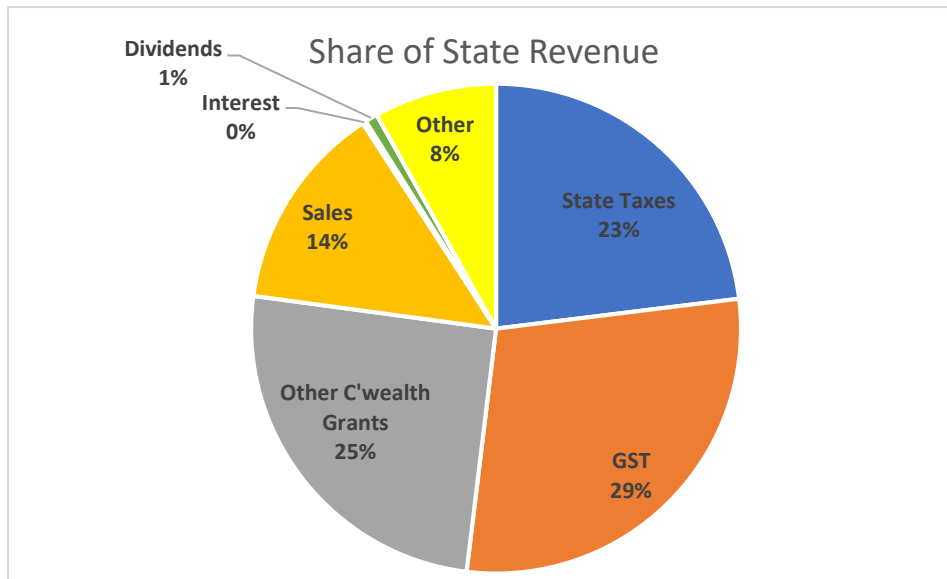
Summary

Overall, while this is undoubtedly a stimulus expenditure budget, which is welcome in response to our current economic crisis, the extent and impact of this should not be exaggerated. The stimulus is strictly time-limited and there is little growth in expenditure in real terms over the forward estimates (and a decrease in expenditure as a proportion of the state economy). Further, the zero employment growth in 2020-21 in response to the biggest stimulus suggests that the economic impact will be delayed or driven largely from elsewhere. The budget package is also a particular type of stimulus – one rooted in a view of the role of government as assisting private business rather than directly investing in the government provision of goods and services.

Revenue

The collection of government revenue is the means by which the state government funds 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 vital services.

As is evident from the figure below, the South Australian budget is underpinned by three main sources of revenue. State taxes, SA's share of the GST revenue, and other Commonwealth grants, account for more than three-quarters of all revenue.



However, the current economic circumstances have provided enormous challenges to the revenue side of the budget. Last year saw a \$101m fall in the budgeted revenue and, as the table below shows, further losses are budgeted for this year before revenue recovers over the forward estimates.

	2019-20 Budget \$m	2019-20 Actual \$m	2020-21 Budget \$m	2021-22 Estimate \$m	2022-23 Estimate \$m	2023-24 Estimate \$m
Total Revenue \$m	20,198	20,332	19,567	21,002	22,078	23,515
Real Growth		-2.6%	-5.2%	6.0%	3.6%	4.7%

The key drivers of this fall in revenue can be summarised as cuts to both South Australia's share of the GST and the size of the GST pool, SA government policy changes which waived or deferred state taxes as part of the stimulus approach, and business shutdowns and restrictions which meant that there was less taxable economic activity. Each of these will be considered in turn.

GST

The pie chart above shows that payments to South Australia from the national pool of GST funds contributes nearly 30% of state budget revenue. The exact amount that comes to South Australia is determined by the amount of GST collected across the country, and then the state share of that pool – which is calculated by the Commonwealth Grants Commission (CGC) using a complex (and often disputed) formula. In this budget GST receipts were massively reduced, both because the size of the national GST pool was greatly lessened by the downturn in spending through lock-downs across the country, and because South Australia's share of the pool was also diminished. Based on the difference between the CGC figures published in February and the actual 2019-20 outcomes, around three-quarters of the fall last year was due to the contraction in the size of the pool, while one-quarter was

due to changes in South Australia’s share of the national pool. The latter has been a feature of the last several budgets, blowing ever-bigger holes in state revenue.

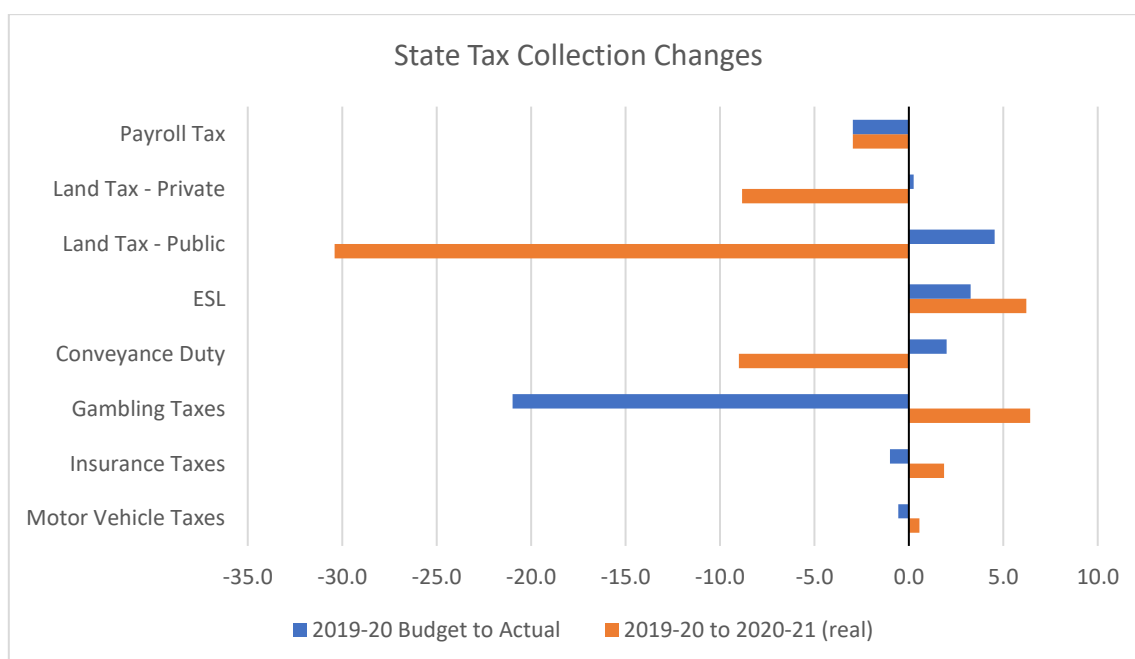
These GST write-downs are evident in the table below, and come on the back of a \$171m decrease from the budget to the actual income in the preceding year (2018-19).

	2019-20 Budget \$m	2019-20 Actual \$m	2020-21 Budget \$m	2021-22 Estimate \$m	2022-23 Estimate \$m	2023-24 Estimate \$m
GST Receipts \$m	6758	6095	5602	6043	6707	7305
Change from Last Year’s Budget		-10%	-17%			

Overall, compared to the estimates in the 2019-20 budget, South Australia’s GST receipts were revised down by \$0.7bn last year and \$1.3bn in 2020-21. Over the four years from 2019-20 to 2022-23, the South Australian budget loses some \$3.8bn in GST receipts, which creates enormous budget difficulties and raises questions about the extent of our reliance on GST to underpin state revenues and the state budget.

State Taxes

State tax revenue was \$101m lower in 2019-20 than was expected in last year’s budget, while the budget for this year is about the same as the actual tax revenue last year at \$4476m. However, this relative stability this year hides some significant changes in the make-up of tax base. The graph below shows the percentage change in taxes actually collected last year and budgeted this year, against the base of the pre-COVID 2019-20 budget.



Clearly the fall in public land taxes (due to pre-COVID changes in tax rates) and gambling taxes was the most significant contributor to tax losses last year, but both are expected to bounce back in this year's budget, while payroll tax is not expected to recover to pre-COVID levels and conveyance taxes and property taxes are expected to fall this year. The drivers of these changes are a combination of the slowdown of economic activity and deliberate policy changes as part of government stimulus packages. The individual policy initiatives are outlined in the Budget Measures section of this report, but the bottom line is that government policy changes cost the budget \$65m last year and will cost \$212m this year. The payroll tax changes amount to 9% of the payroll tax take over two years, while the land tax changes to be implemented in 2020-21 account for 13% of total private land tax collection. As is evident in our commentary later, some of these measures are supported by SACOSS, some are not, but either way, the scale and particularity of the changes again highlights the focus of the budget in giving money/relief to business to stimulate economic growth.

That said, the gambling revenue tells a different and alarming story, but one which is not a result of government tax policy changes. Overall, gambling revenue decreased by a massive 21% last financial year, mostly due to a loss of \$88m in revenue from poker machines as gaming venues and the casino were forced to close from 23 March until the end of June. Revenue from the casino and betting operations was also down from pre-COVID expectations, but offset by a \$10m increase in taxes on lotteries gambling.

The revenue losses from poker machines are clearly a problem for the state budget (although they may reflect good outcomes for gamblers and their families), but the Budget Papers project a \$112m increase in poker machine taxes this year, taking it \$21m past the pre-COVID expectations for 2020-21. This projected increase is based on the fact that since gaming venues have reopened, poker machine taxes have been above comparable periods in previous years. While it remains to be seen if this increase is sustained through the year, it is alarming that, despite the impact on gamblers of the sudden withdrawal from poker machines last year and now the increased usage this year, it is not clear that there is any extra provision of support for problem gamblers. There is extra money in the budget (\$750,000 over two years) going in to the Gamblers Rehabilitation Fund, but this appears to be simply an offset for decreased industry contribution rather than a net increase in expenditure and services.

Other Revenue

While it is only a small amount in the context of the overall budget, there is another notable decrease in revenue which is from the dividend paid from SA Water. SA Water has gone from contributing \$154m to the state budget last year to requiring expenditure from the budget of \$67.6m in 2020-21. The difference is largely due to the regulatory determination last year which revalued SA Water's asset base and made other adjustments to the revenue SA water was allowed to get from customers. While this change was championed by the government as delivering cheaper water bills, it has a direct impact on the budget, with \$178m less in dividends paid to the government. While SA Water still paid \$50m in dividends to the government in 2020-21, the overall negative result is because the government pays SA Water to fulfil a community service obligation. The lower dividends did

not cover the cost of this obligation, resulting in a net loss to the state budget. In a sense, what we save as water consumers, we will have to pay for in taxes.

Summary

The economic downturn this year has understandably had considerable impact on revenue in the state budget, both directly and because of government tax changes used to stimulate the economy. The decrease in the GST contribution to the budget has been large – though not unique to this year. With revenue falling, the required stimulus spending necessarily resulted in a budget deficit and increased debt.

As argued earlier, this is not a problem in this budget. Further, (unlike Federal government tax cuts), the state budget initiatives are mostly limited term and should not jeopardise revenue or spending beyond the budget estimates. However, in the long term, the revenue base will still need to be addressed as a state government debt means that each year money that could be spent on better infrastructure and services will be going on interest payments. In this context, it is important to note that South Australia is not a high-taxing jurisdiction by comparison to other Australian states and territories. At \$2,479 per capita, the budget papers show that South Australia is the third lowest taxing jurisdiction in the country. When the economy picks up again, there will be considerable room to increase taxes and pay down the debt.

2. Budget Measures Welcomed

The analysis of aggregate revenue and expenditure in the previous sections of this report recognised the importance of the whole range of budget measures in overall economic stimulus and job protection or creation. However, in analysing the particular budget measures, this Budget Analysis only addresses the aspects of these programs that directly relate to SACOSS' concerns for vulnerable and disadvantaged South Australians. Further, we note that some of these measures were implemented in the last financial year, but are recorded in this year's budget papers (because they changed last year's budget outcomes and because many of the expenditures continued into this year's spending). However, in order to focus on ongoing budget expenditure and challenges, this Budget Analysis focusses only on measures that have financial impacts on 2020-21 and beyond.

Policy Area	Item	Description	SACOSS Comments
Aboriginal Social Justice	Closing the Gap \$3.3m	This funding reflects South Australia's contribution to phase two of the new National Agreement on Closing the Gap - Building the Community Controlled Sector.	This is a welcome measure which will support the Coalition of Aboriginal and Torres Strait Islander Peak Organisations.
Aboriginal Social Justice	South Australian Community Controlled Organisations Network \$1.8m	This initiative supports the functions of the South Australian Aboriginal Community Controlled Organisations Network (SACCON).	SACOSS welcomes the funding expenditure which will support SACCON as a peak for Aboriginal Community Controlled Organisations and South Australia's member on the National Coalition of Peaks.
Child and family	Child and Family Support Programs \$8.9m	The CFARN program provides local level coordination to parents and children with complex needs to help them access services and supports they need. A two-year trial program to support to young women at risk of requiring child protection intervention.	SACOSS supports the extension of the CFARNs as an important support to families before the need for tertiary child protection service intervention. We also welcome the trial targeting at-risk young women in order to help break the cycle of those who grow up "in the system" being more likely to have children requiring child protection intervention.

COVID-19 income support	International Student Support Package \$13.8m (over 2 years from 2019-20).	Funding to match emergency university cash grants to COVID-impacted students, plus additional government grants to eligible students.	This is a good measure directly targeted to a group that was completely left out of federal government support.
COVID-19 income support	Cost of living concession — boost payment \$6.1m (in 2020-21)	This expenditure is additional to the \$21.4m spent in 2019-20 on providing a one-off boost payment of \$500, as well as an advanced payment of the 2020-21 cost of living concession in 2019-20 for eligible JobSeeker recipients.	This boost payment is welcomed as the base Jobseeker payment remains inadequate.
COVID-19 income support	COVID-19 self-isolation payments \$1m (in 2020-21)	Provision of \$300 payments to qualifying members of the community who do not have access to paid leave or other income support, and are part of a designated COVID-19 cluster and are required to be tested and self-isolate for the period until a negative test result is delivered.	This initiative is supported, however, the amount allocated per person (\$300) is likely to be insufficient to sustain them during the period of isolation and in order to dissuade them from going to work in the event that they cannot afford to lose wages.
Disability	National Disability Insurance Scheme (NDIS) — additional resources for the Office of the Public Advocate (OPA) and South Australian Civil and Administrative Tribunal (SACAT) \$6.8m	This initiative provides funding to address the increase in guardianship and administration orders as a result of the NDIS and Safeguarding Commission requirements.	SACOSS supports this measure to provide valuable resources for the protection of the most vulnerable South Australians.

Disability	Restrictive Practices — Additional resources for the Office of the Public Advocate (OPA) and South Australian Civil and Administrative Tribunal (SACAT) \$1.1m (in 2020-21)	Funding to manage increased requirements for people under guardianship, in aged care and disability accommodation.	SACOSS would always support initiatives that either seek to minimise the use of restrictive practices or ensure good protective oversight mechanisms are available where they are in place, and hence supports these measures.
Domestic violence	Domestic violence support package \$3.75m	Three measures to support victims of domestic violence including a Disclosure Scheme, continuation of the personal protection app, and state-wide early support counselling service for perpetrators.	SACOSS welcomes initiatives to respond to and prevent domestic violence and is pleased to see some focus on addressing perpetrators.
Education & Training	Additional Resources for TAFE SA \$54.2m (in 2020-21)	Additional resources to TAFE SA in response to lower forecasts for external revenue growth and delays in the identification of efficiency measures.	TAFE is a common and important pathway for people from lower SES circumstances into training and employment, so funding to support TAFE SA is a positive measure. However, we are concerned about the future of TAFE SA, given the need for additional resources.
Education/Training	Apprentice and Trainee Payroll Tax Exemption \$5.7m (over 2 years from 2020-21)	This tax measure provides the equivalent to a 12-month payroll tax exemption for wages paid to eligible new apprentices and trainees.	This is a good initiative targeted at a group who are disadvantaged in the workplace and by the COVID impacts.
Education/Training	Govt Supported Traineeships and Apprenticeships \$32.9m	Additional funding to the Skilling SA Public Sector initiative for a further 750 trainees and apprentices in government agencies and funded projects, including aged care, disability and others.	This is a good initiative to fund extra employment opportunities for young people, including in employment growth industries in community services.

Health and Wellbeing	Contribution to a new Cancer Council SA Lodge \$10m (in 2020-21)	To support the construction of new purpose-built accommodation that will support those that need to travel to Adelaide from the regions for cancer treatment.	SACOSS welcomes this important measure to support people from regional communities undergoing cancer treatment.
Health and Wellbeing	Adult Safeguarding Unit Disability Expansion \$3.5m	To expand the adult safeguarding unit to include adults living with a disability who may be vulnerable to abuse.	SACOSS supports this measure.
Health and Wellbeing	Home Hospital \$5.6m (expenditure)	To establish an expanded home hospital service for certain conditions (where it is clinically safe) to be delivered in a person's home, rather than in hospital.	SACOSS supports this measure and recommends consumer involvement in the planning and implementation process.
Health and Wellbeing	COVID-19 Mental Health Support \$15.1m (over 2 years from 2019-20)	COVID-19 mental health services to support the mental health, wellbeing and resilience of the community in the face of the pandemic.	SACOSS acknowledges the community need for mental health supports and welcomes this measure.
Health and Wellbeing	Bushfire Response – Targeted community wellbeing and resilience program \$2.6m	Wellbeing SA to deliver a targeted community wellbeing and resilience program for those impacted by the fires.	SACOSS supports this measure to assist affected communities in their recovery.
Health and Wellbeing	Statewide Wellbeing Strategy \$5.3m (2 years from 2019-20)	Wellbeing SA to implement the Strategy to build community resilience and support physical, social, and mental wellbeing in response to COVID-19.	SACOSS supports work in the areas of health promotion and disease prevention.
Housing	Residential Rent Relief Grant Scheme \$3.1m (in 2020-21)	The scheme provides for two rounds of grants of up to \$1000 to residential landlords who reduce the rent of a tenant experiencing financial hardship due to the COVID-19 pandemic.	Residential rent relief is welcomed.

Housing	<p>Bushfire response</p> <p>Three initiatives totalling \$6.2m (3 years from 2019/20)</p> <p>This includes some Commonwealth money.</p>	<p>Three initiatives including temporary housing for those who lost their homes, establishment and management of recovery centres in Lobethal and Pardana, and personal and hardship reestablishment grants.</p>	<p>Much needed bushfire response money, with most spent last financial year and tailing off over this year.</p>
Housing	<p>Public housing capital maintenance</p> <p>\$10m (5 years including 2019-20)</p>	<p>This measure reflects the acceleration of \$10 million of planned public housing capital maintenance from future years into 2019-20 and 2020-21.</p>	<p>This is a welcome initiative as both a stimulus and for some public housing tenants, but it is unclear how much impact it will have on the overall public housing maintenance backlog.</p>
Housing - Homelessness	<p>Street to Home Program</p> <p>\$1.1m (in 2020-21)</p>	<p>Program provides a range of services for people sleeping rough in the inner city to assist them to find and maintain housing, including assertive engagement, primary healthcare and integrated service responses, rapid re-housing, and outreach services.</p>	<p>SACOSS welcomes this expenditure, although noting it is only a modest investment to address an ongoing issue.</p>
Housing – Homelessness	<p>Support for rough sleepers</p> <p>\$13.6m (3 years from 2019/20)</p>	<p>This initiative includes \$7.3 million for the provision of emergency accommodation to rough sleepers in response to the COVID-19 pandemic, plus \$6.3 million for new housing responses, including:</p> <p>18 supported units at a redeveloped Holbrooks estate in Brooklyn Park and funding to Aboriginal Community Housing Ltd towards the delivery of 40 long-term housing outcomes in Bedford Park.</p>	<p>When launched in response to COVID-19 this was a good initiative to find emergency housing and showed that inroads into street homelessness could be made with proper investment. It is good to see some ongoing investment in new initiatives, but the scale of accommodation provided is too modest, and is significantly out of proportion to the demand.</p> <p>An element of this package that delivers a specific focus on the needs of Aboriginal elders is also welcome.</p>

Human Services	Vulnerable South Australians Support Package \$4.1m (in 2020-21)	This support package comprises a range of measures including additional funding to a number of NGOs to meet the higher demand for financial assistance, financial counselling services, and food relief, in response to the COVID-19 pandemic. The package also provides additional funding for emergency grants under the Emergency Financial Assistance Program.	Additional funding to enable these important extra support services is welcomed.
Law & Justice	Supreme Court accessibility improvements \$546k (in 2020-21)	Works to be undertaken to improve accessibility to the Supreme Court Building for people with a disability.	SACOSS supports this measure. Improved access and inclusion for all parts of our community is essential, and enabling better access to our courts is a positive developments.
Law & Justice	Coroner's Court — additional resources \$941k (in 2020-21)	Additional resources to assist in reducing the backlog of cases in the Coroner's Court, through the funding of an additional Deputy Coroner and associated support staff.	SACOSS supports this measure. The right to administrative justice will be improved if backlogs and wait times can be addressed.
Law & Justice	COVID-19 Resources \$21.2m	Increase in SA Police's resources given the extra demands of COVID policing. Expenditure will fund: <ul style="list-style-type: none"> • 72 cadets in 2020-21 • 54 temporary Protective Security Officers in 2021-22 • Temporarily employ SES and CFS volunteers for COVID-19 operations and establish an alternative Police Operation Centre at Thebarton. 	Given the importance of police in managing the COVID-19 response, this is a welcome measure in providing additional functions during COVID-19.

Services	Reversing cuts to bus contracts and Service SA \$52.4m	Maintaining current bus routes and stopping the closure of Service SA centres at Prospect, Mitcham and Modbury	SACOSS supports these measures. Service SA Centres provide vital face-to-face contact and services for vulnerable South Australians.
Services	Mt Barker Service SA Centre \$4.1m	To establish a Service SA centre in Mt Barker	SACOSS supports this measure for reasons referred to above.
Services	Regional passenger bus support package \$3.8m (2 years from 2019-20)	Providing payments to support the continued viability of eligible country bus services.	SACOSS supports measures that help maintain passenger transport services in regional communities.

3. Budget Measures Not Supported

Policy Area	Item	Description	SACOSS Comments
Health and Wellbeing	Increase in Non-Medicare patient fees \$19.5m (revenue)	This initiative increases fees charged for public hospital services provided to admitted patients who are not eligible for Medicare. Non-Medicare patients are primarily international visitors to South Australia.	SACOSS is concerned these increases in fees may impact already-vulnerable South Australians (including refugees and international students) who fall through the gaps and cannot access state or federal government supports.
Law & Justice	District Court Master savings \$2m cut	Not to replace a vacant District Court Master position and associated support staff.	SACOSS does not support this measure because Courts are under-staffed and under-resourced. If the positions/functions were no longer required, the funding should have been redirected towards other important functions such as court liaison officers or language interpreters etc.
Law & Justice	Victims of Crime Levy \$34.3m (revenue)	Increase in the Victims of Crime (VOC) Levy by 50% from 1 January 2021	Given that the Victims of Crime Levy is also imposed on on-the-spot fines, this increase has widespread and regressive impacts on household budgets – especially for those on low incomes.
Law & Justice	Upfront payment of Impoundment and Clamping Fees \$4.5m (revenue, 3 years from 2021-22)	Requires offenders to pay the costs associated with impoundment of their vehicle at the time of release.	The upfront requirement to pay is likely to be unaffordable for some people on low incomes and has the potential to encourage the use of pay-day lenders and other debt traps.

Law & Justice	Multi-Purpose Load Bearing Vests \$8.5m	To provide personal issue, multi-purpose protective vests for frontline police officers.	SACOSS supports the safety of all workers, including police officers, but is unconvinced that para-military clad policing is the best model of policing on Adelaide's streets. SACOSS believes that the funding could be better directed towards preventative measures and the establishment of community policing.
Public Trustee	Increase investment management fee \$2.16m (revenue, 3 years from 2021-22)	This measure will increase the investment management fee for the growth of common funds from 1.0 per cent to 1.2 per cent.	This is in effect a 20% increase, which represents a considerable impost on the management of investments by the government on behalf of often vulnerable South Australians.
Tax	Increase to Transition Fund and deferral of land tax payments \$13m (1 year, 2020-21)	Additional money to landowners impacted by changes to land tax which came into effect on 1 July 2020.	The land tax aggregation changes announced in last year's budget were welcomed by SACOSS for fairness and revenue raising. The subsequent campaign by vested interests and the changes to the package were a huge blow for state revenue. This measure, while relatively small, only makes that worse.



JFA Purple Orange is encouraged to see funding allocated for improvements to accessibility at a number of public sites across South Australia, including the Supreme Court building and regional theatres. However, we had hoped to see more funding in the budget to support the implementation of the State Disability Inclusion Plan, and we would have preferred to see more investment in community grants, not less. We encourage the State Government to continue investing in the life chances of people living with disability through supporting government departments, businesses and NGOs to become more inclusive and accessible to the diverse communities they serve.

ROBBI WILLIAMS
JFA PURPLE ORANGE

4. Budget Measures Requiring Further Consideration

Policy Area	Item	Description	SACOSS Comments
Child Protection	Child protection – additional resources: Placement Management System -\$670k (in 2020-21)	The Placement Management System is anticipated to provide 'real time' visibility of placement capacity, current occupancy and availability options matched to a child or young person's personal profile with the aim of increasing the number of children and young people matched to suitable placements.	SACOSS is cautious that an over-emphasis on digitalised responses to placement availability and streamlining of decisions, could come at the expense of assuring the suitability of placements and meeting the needs of children and young people. More information is needed about how this tool will be able to deal with these tensions before SACOSS would support this expenditure.
Cost of Living	Mandatory fuel price transparency scheme \$1.2m (2 years from 2020-21)	The scheme will require all fuel retailers in SA to publish their prices and allow motorists to find the closest cheapest fuel.	SACOSS supports a transparent fuel market, but is unclear how/what this initiative will add to existing regulation and comparison sites. SACOSS also recognises the limitations of strategies based on consumer empowerment in relation to limited markets and essential services.
Disability	Authorisation of restrictive practices for NDIS clients \$5.8m	This initiative implements a restrictive practices authorisation framework for NDIS clients, establishment and operation of the unit.	SACOSS may supports this if developed using co-design principles and processes.
Education / Training	Additional support for the Vocational Education and Training (VET) sector during COVID-19 \$3m (brought forward from 2020-21 into 2019-20)	To support the VET Market Continuity Package which helped non-government training providers impacted by COVID-19	SACOSS is concerned that bringing forward \$3m of expenditure simply leaves less money for the VET sector over the forward estimates.

Energy	Solar concessions trial \$4.2m (5 years from 2020-21)	Trial involving the installation of solar panels on the homes of 1000 existing state concession card holding households, in lieu of receiving energy and cost of living concession payments.	SACOSS welcomes measures that support households on low and fixed incomes to access the benefits of solar. However, to be successful, the trial must be designed to benefit the majority of concession card holders, including renters and those most vulnerable.
Health and Wellbeing	Establishment of a co-investment fund for preventative health measures \$8m	Wellbeing SA to establish partnerships and co-investment for preventative health measures.	This may be helpful where partners with aligned interests are able to contribute; however, consumers must be at the centre of decision-making. We are unsure what kinds of projects and initiatives will be produced by this approach.
Health and Wellbeing	Youth Treatment Orders program \$4.4m	To implement the government's Youth Treatment Orders program, which allows for mandatory treatment orders to be made in respect of young people for young people suffering drug or alcohol addiction who are subject to detention in a training centre at the time the order is made.	SACOSS is yet to analyse the evidence underpinning the suggested model, which has only recently become available for consultation. To date, we have been cautious about the mandatory nature of the model and whether delivering treatment in a secure facility is the most effective treatment option for young people suffering drug or alcohol addiction.
Housing	Housing Stimulus Measure \$75m	The Homebuilder's grants will see increased construction over next 2 years, so this funding provides support beyond that as the industry returns to normal. Further details are to be announced in due course.	This is largely industry subsidies, but may include initiatives relevant to vulnerable and disadvantaged people. SACOSS' views on this will depend on detail still to be announced.

Housing	Return to Country Program \$873k (2 years from 2019/20)	This initiative supports Aboriginal people from remote communities to remain safe during COVID-19, avoid homelessness or displacement during travel restrictions, and meet isolation requirements before returning to their home communities.	This is an important initiative, but given it is a modest investment SACOSS is unable to say whether it satisfactorily meets the needs of the communities.
Law & Justice	Consolidation of Youth Custodial Services \$18.7m (over three years)	A new 12-bed accommodation unit and eight-bed police custody unit, new classroom space and enhanced visiting spaces will be constructed at the existing Goldsborough Road campus to bring all youth custodial services into a single site. This aims to achieve operational efficiencies.	SACOSS is concerned that this consolidation of services may be more about cost-saving than the interests of young people. SACOSS also notes that history demonstrates that creating bigger institutions rarely delivers better outcomes for those people kept in custody. The safety and achievement of positive outcomes should drive decision-making and any efficiencies should be reinvested in appropriate programs and therapeutic supports.
Law & Justice	High Intensity Treatment (HIT) Program for Extended Supervision Order Offenders \$2.7m	A pilot HIT Program that will deliver specialist high intensity case management and treatment throughout the course of supervision under an Extended Supervision Order.	SACOSS requires more information about the nature of this pilot program to comment
Law & Justice	Accommodation savings \$2.4m cut	A reduction in accommodation costs.	It is unclear what this reduction in costs is based on. SACOSS questions whether there is a link to the increasing privatisation of prisons and therefore reduction in costs to the state, or whether savings have been made that impact the range or quality of service.

Law & Justice	Community services consolidation \$2.4m cut (4 years)	Amalgamation of community service groups into centralised hubs. This represents a consolidation of resources and will not reduce service provision.	SACOSS needs further information to understand how service provision would not be compromised by these cuts.
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5. Missed Opportunities

Policy Area	Item	Description	SACOSS Comments
Aboriginal Social Justice	Municipal services in Aboriginal communities \$9.9m	Funds to upgrade infrastructure in regional and remote Aboriginal communities, including road repairs, improvements to waste management and community infrastructure upgrades.	While SACOSS supports expenditure to undertake desperately needed maintenance and upgrades required in many communities, we do not think the allocated funding is sufficient.
Child Protection	Child protection – additional resources \$124m (over 4 years from 2020-21)	From 2020-21 over 4 years to meet costs of an increase in number of children and young people in care.	SACOSS acknowledges the importance of additional funding for more young people in care. However, in the absence of a more coherent preventative and early intervention approach, these numbers will continue to rise. The real issues and needs of children and young people and the families that fail to care for them adequately, are still simply not being addressed.
Digital Inclusion	Digital Restart Fund \$120m (over 5 years from 2019-20)	Funding for projects that support an improved digital experience, and access to information, to businesses and individuals. The expenditure is spread across a range of departments for particular projects, with a contingency fund for other projects.	This funding seems to be for government departments to improve their IT systems – it is not a digital inclusion investment in the community and will not help build digital capacity in the community.
Energy	Home Battery Scheme – additional support \$18m (over 5 years from 2020-21)	Additional funding to increase the roll out of the home battery scheme.	SACOSS' analysis questions whether this scheme delivers an adequate value proposition for households on low or fixed incomes.

Gambling	Contributions to the Gamblers Rehabilitation Fund \$750k (over two years)	This measure offsets reduction from industry while gaming venues were closed.	It is not clear that there is any new money to support problem gamblers, despite significant projected future increases in gaming income.
Law & Justice	Mobile phone detection cameras \$11.7m (Net revenue gain over 4 years)	This is expenditure of \$19.4 million over two years for the installation and management of cameras to target drivers illegally using a mobile phone. Additional operating funding of \$813k per annum is allocated from 2022-23 for administration of increased numbers of fines, but all expenditure is more than offset by \$32.7m in expected extra revenue from 2022-23.	Mobile phone usage while driving is illegal and dangerous, but given the regressive nature of SA fines, the substantial revenue gains projected will come at the expense of low-income households who will struggle to pay. SACOSS renews its calls for income-based fines to provide a fair and equal deterrent.
Tax	Payroll Tax Relief \$148m (over 2 years from 2019-20).	Small businesses (up to \$4m) get a 15-month waiver of payroll tax until June 2021. Bigger businesses impacted by COVID may defer tax.	This is a temporary relief which is theoretically good, but it has no strings attached (e.g. requirement to keep employees, or pay fair wages) and the measure comes at a cost to revenue.

6. Government Agency Data

Department of Human Services

Department and Program Funding

In addition to the Department's traditional areas of focus, SACOSS notes the measures that respond to COVID-19, such as the cost of living concession boost payment, the international student support package, residential rent relief grant scheme, self-isolation payments, and the pandemic payment scheme. As noted in the commentary on the budget measures above, SACOSS is supportive of the Vulnerable South Australians Support Package that includes funding for a number of NGOs to meet the higher demand for financial assistance, financial counselling services, emergency grants, and food relief, in response to the COVID-19 pandemic.

However, as the table below shows, the Department's program expenditure has had very little change in real terms in overall. Despite COVID-19 and bushfire responses, the actual expenditure last year was very close to what was budgeted, while the budgeted expenditure for 2020-21 also shows little real change when adjusted for inflation. Most of the sub-programs showed a similar pattern, except for the Status of Women, where there was an increase in expenditure last year but a decline in 2020-21.

Program	2019-20 Budget \$000	2019-20 Actual \$000	2020-21 Budget \$000	% Change in Real Expenditure: 2019-20 Budget to 2020-21 Budget	% Change in Real Expenditure: 2019-20 Actual to 2020-21 Budget
	898,530	899,464	913,159	0.1	0.0
1. Communities	113,817	112,201	112,711	-2.5	-1.1
2. Status of Women	4,187	4,735	4,572	7.6	-4.9
3. Youth Justice	43,505	46,409	43,496	-1.5	-7.7
4. Disability	737,021	736,119	752,380	0.6	0.7

Targets

1. Communities

1.1 Community and Family Services

- Continue reform of the CFSS to achieve best outcomes for families and children.
- Commission non-government agencies and Aboriginal Community Controlled Organisations to deliver new Intensive Family Support Services.
- Implement Child and Family Safety Networks across South Australia.
- Implement the Social Impact Investment Framework to improve the assessment and alignment of current and proposed funding programs.

- Implement a new Community Connections Program following the transition to the NDIS, My Aged Care and the National Carer Gateway.
- Support the development and implementation of the second Volunteering Strategy for South Australia.
- Continue to lead implementation of strategies in the Strong Futures: SA Youth Action Plan 2020-2022.

1.2 Community Support Services

- Finalise implementation of NDIS worker screening checks to commence 1 February 2021.
- Streamline employment-related screenings and processes.
- Develop a new Aboriginal Language Interpreting Service within the Interpreting and Translating Centre.
- Streamline the process for concessions customers who change energy retailers.
- Finalise review of the PARS to provide customers more choice in device technology.

2. Status of Women

- Continue to support the extension of Safety Hubs into regional South Australia.
- Establish early support and intervention services for perpetrators of domestic violence.
- Finalise the digitisation of Family Safety Meetings to improve the collection and sharing of data.
- Finalise the Women's Leadership and Economic Security Framework.
- Implement actions outlined in the National Partnership on COVID-19 Domestic and Family Violence Responses.

3. Youth Justice

- Progress implementation of the Young People Connected, Communities Protected: South Australia's Youth Justice State Plan 2020-2023 to provide young people in the youth justice system and their families with connected supports, programs and services.
- Progress implementation of a therapeutic approach at the Kurlana Tapa Youth Justice Centre to improve responses to children and young people, including those with a disability.
- Contribute to the implementation of a National Preventative Mechanism for Youth Justice Services, under the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT).
- Improve outcomes for Aboriginal young people through culturally responsive services and an enhanced staff training and recruitment strategy.
- Commence capital works to consolidate contemporary youth custodial services at a single improved site.

4. Disability

4.1 Disability Inclusion

- Support state authorities to publish their Disability Access and Inclusion Plans.

- Continue to support strategies which increase safeguards for people with a disability, including increased access to advocacy.
- Prepare the first annual report on the operation of the State Disability Inclusion Plan, as required under the Disability Inclusion Act 2018 (SA).
- Finalise the transition of DES and the Independent Living Centre (ILC) to new arrangements under the NDIS.
- Continue to support planning and strategies across South Australia to protect the safety and wellbeing of people with a disability through COVID-19.

4.2 Accommodation Services

- Continue the organisational reform of Accommodation Services to operate in line with the NDIS and improve quality and engagement.
- Continue to work with the Department of Health and Wellbeing to support people with a disability to transition to the community from hospital.
- Undertake community consultation to guide the development of options for the future of the Highgate Park site on behalf of the Home for the Incurables Trust, as owner of the site.

Commentary on Targets

A number of the Department's targets are of interest to SACOSS and the non-government health and community services sector, and are highlighted below.

1. Communities:

SACOSS supports the targets in relation to directing support for children and families through the Child and Family Support Service (CFSS), the Child and Family Assessment and Referral Network (CFARN), and the trialling of support provision for young women at risk of requiring child protection for their children. We have strongly advocated for the development of improved models of service that support families and intervene early, so as to avoid the need for tertiary interventions. However, investments in these approaches need to be proportionate to the needs in the community in order to achieve impact. Initiatives should be scaled up where pilot results are promising.

SACOSS supports the development a new Aboriginal Language Interpreting Service and trusts that this Service will be co-designed and established in conjunction with the various existing Aboriginal languages interpreting and translating services and with language groups across South Australia, in order to provide a culturally safe and accessible service.

2. Status of Women:

SACOSS welcomes the increased funding in this area, but notes that most of the targets are directed towards a focus on domestic and family violence, with an additional focus on women's leadership and economic security. SACOSS welcomes the three measures to support victims of domestic violence, including a Disclosure Scheme, continuation of the personal protection app and development and implementation of a state-wide early support counselling service for perpetrators of domestic violence.

However, beyond domestic and family violence, SACOSS is concerned that the needs and interests of women and, in particular older women, are being neglected in the broader budget that is skewed towards construction stimulus.



3. *Youth Justice:*

SACOSS supports the efforts to provide young people in the youth justice system and their families with connected supports, programs, services and the adoption of more therapeutic approaches.

In response to a number of the youth justice targets – including improved outcomes for Aboriginal young people and the implementation of a National Preventative Mechanism for Youth Justice Services, under the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT) – SACOSS emphasises that children as young as ten years of age should not be detained and urges legislative reform of the *Young Offenders Act 1993* so as to raise the age of criminal responsibility from ten to at least fourteen years of age. In addition, every effort should be made to prevent children and young people from entering the justice system in the first place. Given the interface between children and young people in the child protection system and the justice system, every effort needs to be made to adopt a preventative and early intervention approach.

The target to commence capital works to consolidate contemporary youth custodial services at a single improved site raises a concern as to whether this will necessarily be in the best interests of children and young people, or whether the motivation for the consolidation of the services may potentially be more of a cost-saving exercise. The co-location of an increased number of children at one site and of children of varied ages will require

particular attention. There is no evidence that SACOSS is aware of which suggests that increasing the size of custodial institutions for children and young people ever results in better outcomes for those young people. The safety and achievement of positive outcomes for young people should always drive decision-making in youth justice, and any efficiencies should be reinvested in appropriate programs and therapeutic supports.

4. Disability:

While a number of the targets are administrative in nature, with a number focusing on the transitioning of clients, SACOSS supports the budget measures that enable disability advocacy in response to the recommendations of the Safeguarding Task Force, including individual advocacy and extending the role of the Disability Advocate in the Attorney-General's Department. In addition, the initiative to establish a restrictive practices authorisation framework is supported, and needs to be developed using co-design principles and processes.

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). The total expenditure and changes are evident below, showing an overall increase in health expenditure from 2019-20 to 2020-21, with this increase more pronounced when considering the difference between the 2019-20 budgeted expenditure (7.9%) compared to the estimated expenditure (1.0%). This is driven by increased health expenditure in 2019-20 related to responding to the COVID-19 pandemic.

While increased expenditure was experienced across most programs, there are some decreased expenditures budgeted in 2020-21 compared to the 2019-20 estimate across Health Services, although most still reflect an increased expenditure compared to the 2019-20 budget. There are two exceptions to this trend. Firstly, Flinders LHN has increased expenditure in the 2020-21 budget compared to the 2019-20 estimate (7.4%) but decreased expenditure compared to the 2019-20 budget (-3.8%). This is largely due to lower than budgeted expenses in 2019-20, in part due to technical accounting changes and partly due to lower than budgeted fee-for-service expenses in 2019-20 (\$1.6m). The budget papers suggest that fee-for-service will increase in 2020-21. Secondly, SA Ambulance Service has decreased expenditure in the 2020-21 budget compared to both last year's budget and outcome. The budget papers suggest that last year there were larger than anticipated bad debt expenses, with an anticipated decrease in 2020-21. SACOSS is concerned at the increase in people not being able to pay their ambulance fees last year, and the budget papers do not say why this is expected to be a lesser problem this year.

While the Adelaide LHN continues to have the largest expenditure by far, the Eyre & Far North LHN and Riverland Mallee Coorong LHN see the largest percentage increase in expenditure in the 2020-21 budget for Health Services when compared to the 2019-20 budget (34.9% and 19.9% respectively). These differences are largely reflective of increased expenses in the actual outcomes last year.

The 2019-20 estimated expenditure in the table below also reflects the establishment of Wellbeing SA and the Commission on Excellence & Innovation in Health, which are reflected under the new program of System Enhancement. These costs were re-directed from the Policy, Clinical, Systems & Admin program; specifically, sub-program 1.1, 1.3, and 1.4 (and subsequently these sub-programs have some decreased expenses in the 2020-21). Additionally, the South Australian Mental Health Commission (SAMHC) was absorbed into Wellbeing SA with a transfer of staff on 6 January 2020. Accordingly, the 2020-21 budget has no expenditure under the program Policy, Clinical, Systems and Admin but \$1m increased expenditure under Wellbeing SA.

Even beyond this change, the 2020-21 budget has a large increase to expenditure within Wellbeing SA. This equates to an extra \$29.6m budgeted in 2020-21 compared to the 2019-20 budget. The budget papers largely attribute this increased budgeted expenditure to tertiary related measures (hospital-based services at home and hospital discharge program, \$13.5m) plus increased preventative health measures (Statewide Wellbeing Strategy, partnerships and co-investment for preventative health measures, and co-design, education, training and network building initiatives for bushfire response, \$5.8m).

Program	2019-20 Budget (\$000)	2019-20 Estimated Expenditure (\$000)	2020-21 Budget (\$000)	% Change 2019-20 Budget vs 2020-21 Budget (real \$)	% Change 2019-20 Estimate vs 2020-21 Budget (real \$)
1. Policy, Clinical, Systems & Admin	702,260	683,977	789,310	10.7	13.7
1.1 Health Regulation & Protection	63,668	65,287	69,132	7.0	4.3
1.2 System Leadership & Design	38,056	37,377	45,774	18.5	20.6
1.3 Commissioning & Performance	122,944	126,520	142,240	14.0	10.7
1.4 Corporate Services	475,490	453,720	532,164	10.2	15.5
1.5 SA Mental Health Commission	2,102	1,073	-	-100.0	-100.0
2. Health Services	3,134,174	3,414,521	3,386,275	6.4	-2.3
2.1 Central Adelaide LHN	1,194,494	1,396,644	1,316,959	8.6	-7.1
2.2 Nth Adelaide LHN	434,427	460,516	471,298	6.9	0.8
2.3 Sth Adelaide LHN	587,250	590,000	616,206	3.4	2.9
2.4 Women's & Children's LHN	274,064	286,795	300,068	7.8	3.1
2.5 Barossa Hills Fleurieu LHN	154,470	165,910	162,533	3.6	-3.5
2.6 Eyre & Far North LHN	20,924	27,169	28,656	34.9	3.9
2.7 Flinders LHN	74,003	66,304	72,299	-3.8	7.4
2.8 Riverland Mallee Coorong LHN	65,355	75,703	79,561	19.9	3.5
2.9 Limestone Coast LHN	68,040	70,699	73,238	6.0	2.0
2.10 Yorke & Nth LHN	71,772	79,125	80,976	11.1	0.8
2.11 SA Ambulance Service	189,375	195,656	184,481	-4.0	-7.1
3. System Enhancement	47,121	46,925	76,750	60.4	61.1
3.1 Commission on Excellence & Innovation in Health	5,944	3,923	5,960	-1.2	49.6
3.2 Wellbeing SA	41,177	43,002	70,790	69.3	62.2
Total	3,883,555	4,145,423	4,252,335	7.9	1.0

Commentary on Targets

The portfolio is expansive and across all programs the Budget papers list 74 targets for 2020-21, with 53 of these being in the Health Services program. Most of the targets under the Health Services programs take a tertiary focus. However, there are several targets which address priority populations and are more related to community health. Some welcome targets include:

Targets related to Aboriginal communities

- Embed and sustain Closing the Gap initiatives into core business, including partnering with consumers and non-government organisations to develop collaborative, culturally-sensitive care pathways across the northern Adelaide region (Program 2.2)
- Review and redesign the model of care for the APY Lands for its implementation (Program 2.4)

Targets related to consumer and community engagement

- Implement and monitor a consumer and community engagement strategy (Program 2.6)
- Implement the Riverland Mallee Coorong LHN Consumer and Community Engagement Strategy (Program 2.8)

Targets related to aged care services

- Commence improvements to the Strathalbyn Aged Care Lifestyle facilities (Program 2.5)
- Develop an integrated approach to health and aged care services in Strathalbyn (Program 2.5)
- Develop an Aged Care Services plan for the Yorke and Northern Local Health Network (Program 2.10)

Targets related to community health

- Redevelop the Kalimna Hostel for use as a community health facility (Program 2.5)
The target to expand the role of the Adult Safeguarding Unit (in Program 1.2) is similarly welcomed

While there is a large investment in tertiary care, there is a focus on investing in health needs outside of the Adelaide metro area, with a focus on aged and palliative care.

The Budget papers identify Wellbeing SA as responsible for *'leading the system change required to support population health and wellbeing and embed prevention across the life course.'* There are three targets listed for Wellbeing SA in 2020-21, all welcomed:

- Implement the Wellbeing SA Strategic Plan 2020-2025
- Develop and implement an expanded My Home Hospital program, an industrialised home-based acute care service delivery model (associated with an increased \$12.1m expenditure)
- Continue to implement Stage 3 of the SA Mental Health Strategic Plan 2017-2022

While Wellbeing SA works across primary, secondary, and tertiary prevention, as evident in the spending changes noted above, the major focus continues to be on tertiary services and SACOSS continues to call for more focus on preventive health initiatives.



A welcome initiative for the disability sector is the allocation of \$5.8m over four years for a new system to provide greater protection for people with disability who may be subject to the use of restrictive practices. NDS commends the Government on its commitment to training which over time will increase the number of appropriately trained and qualified workers in the disability sector.

PETER HOPPE
NATIONAL DISABILITY SERVICES

Department of Child Protection

Department and Program Funding

There is only one program within the Department of Child Protection – Care and Protection. This year’s budget has seen an increase in expenditure, primarily due to an increase in the number of children and young people in care and the costs associated with providing care services, as well as an increase in the participation of young people over 18 years of age who are in family-based support programs.

It is essential that appropriate funding is allocated in response to the number and needs of children and young people in care and support programs. With the increase in the number of children and young people in care, the additional amount of \$124m over four years is necessary and justified; however, the increasing number of young people requiring care indicates that the challenge of keeping children safe and well is not being addressed, and is in fact worsening. In the absence of a more coherent preventative and early intervention approach, these numbers will continue to rise. Given the increasing number of children and young people in care, a defined target for reducing this number would be appropriate.

It is encouraging to note that the budget accommodates an increase of 107 full-time equivalent staff on the previous financial year; it is hoped that this increase will primarily include frontline service and support staff in preventative capacities to engage with and care for children, young people, and their families and carers.

Program	2019-20 Budget \$m	2020-21 Budget \$m	% Change	2019- 20 FTE Staff	2020- 21 FTE Staff	% Change
1. Care and Protection	569,700	606,441	6.4	2163	2270	4.9

Targets

1. *Care and Protection*

- Implement the Sanctuary model of therapeutic residential care.
- Introduce Placement and Support Packages to deliver individualised care arrangements and support for children and young people with complex needs.
- 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.
- Implement a new pilot service led by one or more Aboriginal Community Controlled Organisations to provide culturally-specific support and training to kinship carers of Aboriginal children and young people.
- Implement the government’s new permanency policy for children and young people in care to support decision-making around permanency options, including adoption from care where it is in the best interest of the child or young person.
- Finalise the first-year legislative amendment process for the Children and Young People (Safety) Act 2017.

Commentary on Targets

All of the Department's targets listed for 2020-21 are important.

In relation to increasing the number of foster carers and family-based care placements, SACOSS supports the need for these options as alternative arrangements when children are not safe and well under the care of parents. However, we advocate for more comprehensive and sustained investment in strengthening and supporting families to curb the growing numbers of children requiring out-of-home care.

The target to implement a pilot service led by Aboriginal Community Controlled Organisations to provide culturally-specific support and training to kinship carers is welcomed and serves to realise the inclusion of the Aboriginal Placement Principles in the *Children and Young People (Safety) (Miscellaneous) Amendment Bill 2020*.

The target to introduce Placement and Support Packages is also a positive development, however there is no detail about this in the budget papers. While noting that the Placement Management System measure forms part of the Digital Restart Fund and is primarily focused on the administration of placements, SACOSS is concerned that any new tool or system should prioritise the suitability of placements and the individual needs of children over efficiency and streamlining.

With reference to the targets regarding the implementation of the Government's permanency policy for children and young people in care, the legislation enabling this policy – the *Children and Young People (Safety) (Miscellaneous) Amendment Bill 2020* – has not yet been passed. In addition, it cannot be assumed that there is consensus across the child protection sector regarding permanency options in the form of adoption from care, specifically relating to the criteria and conditions under which this option would be considered and for whom.

7. Outcomes of SACOSS' 2020 – 2021 Budget Proposals

SACOSS normally makes a formal submission to government in advance of state budgets outlining specific policies and priorities that we see as important to support vulnerable and disadvantaged people in South Australia.

The SACOSS submission to the 2020-21 State Budget process contained 24 proposals organised in three separate parts:

- **Reducing disadvantage now:** four simple initiatives with limited budget impact that will reduce disadvantage now and can easily be included in the 2020-21 state budget
- **Recommitting to funded programs:** recommitment to funding of four key previously-funded programs
- **Committing to sustainable change:** a range of complex or larger initiatives which will build sustainable change and should be funded in the 2020-21 or 2021-22 state budgets.

However, the SACOSS submission pre-dated the COVID-19 pandemic. This obviously impacted government and sector priorities. In this context, many of the proposals put forward by SACOSS may have had less priority or could not be acted upon in this budget. However, the table below contains the complete list of SACOSS proposals, and any relevant outcomes in the State Budget.

Outcomes of SACOSS' Reducing Disadvantage Now Budget Proposals

SACOSS Proposal	Budget Outcome
Remove the \$20.50 charge imposed on payment plans for state government fines	This measure has not been supported in the budget.
Fund a service to work with those living with disability to navigate the NDIS and access complete and appropriate plans quickly and easily	While not establishing a separate service, advocacy support for people with a disability has received additional funding of \$1.8m over three years, including \$1.2m to support individuals to access NDIS supports. Also, the Office of the Public Advocate will receive \$1.4m per year to deal with increased requirements for case management and service provision for NDIS clients under OPA guardianship.
Expand the eligibility criteria for SA energy concessions to include all families on Health Care Cards who are receiving full Family Tax Benefit Part A payments	This has not been done. The eligibility gap was not addressed in the Budget or the recently amended <i>Cost of Living Regulations 2020</i>

Raise the subsidies for private vehicle transportation and commercial accommodation under the Patient Assistance Transport Scheme (PATS) in line with levels of subsidy in other Australian jurisdictions	Expenditure on PATS was not increased, but some positive improvements to the scheme have recently been made to increase flexibility in accommodation and journey destinations
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Outcomes of SACOSS' Recommitting to Funded Programs Budget Proposals

SACOSS Proposal	Budget Outcome
Continue dedicated funding to DOME for services to increase mature-age employment	Not funded.
Continue to fund independent evaluation of South Australia's public health system	Not funded, and the government continues to undermine and pursue the abolition of the Health Performance Council.
Restore Community Centres SA's peak funding to pre-2018-19 levels and recommit to full funding for adult community education programs across the state	Not funded.
Reinstate full funding for intensive, long-term support and counselling for adults who are the victims of crime and abuse, including domestic, family and sexual violence	Not funded, but the Domestic Violence Support Package includes \$500k per year to continue the Domestic Violence Disclosure Scheme, and \$400k per year to implement a counselling service for perpetrators of domestic violence.

Outcomes of SACOSS' Sustainable Change Budget Proposals

SACOSS Proposal – Looking After Our Children	Budget Outcome
Establish an Aboriginal youth council to provide input into state government policy and programs affecting Aboriginal children and young people	Not funded, but the budget provides \$3.3m to support the new National Agreement on Closing the Gap's priority reform number two of "Building the Community Controlled Sector".
Establish an Aboriginal community-led peak body incorporating local Aboriginal family care committees to provide input into child protection matters involving South Australian Aboriginal children and young people	The budget provides \$433k per annum to support the functions of the South Australian Aboriginal Community Controlled Organisations Network (SACCON) to provide input into the updated Closing the Gap framework.
Provide the option of extended care for young people in residential care from 18 to 21 years, in line with the Stability in Family-based Care program	Not funded.

Introduce free public transport for all South Australian children and young people until the end of their secondary education	Not funded.
Develop and implement a systemic plan to ensure free, non-stigmatising access to feminine-hygiene products to young women in school	Not funded.
SACOSS Proposal – Ensuring Health for All	Budget Outcome
Provide free emergency ambulance services for all South Australians	Not funded.
Establish a health consumer advocacy service for individual consumers, their carers and families to assist them to navigate and exercise their rights within South Australia’s public health system	Not funded.
Fund SACOSS to deliver a Community Sector Health in All Policies program across the state’s not-for-profit sector	Not funded.
SACOSS Proposal – Making Life Affordable	Budget Outcome
Invest in public housing stock to return to 2013 numbers (40,000) by 2024, with a further increase to 65,000 dwellings by 2034	Not funded. The budget brings forward \$10m for planned public housing maintenance, and puts \$13.6m to emergency accommodation and new housing for rough sleepers, but the investment is inadequate and represents one of the biggest missed opportunities of this budget. There is also an allocation of \$75m for a program (yet to be defined) to follow on from the Home Builder's scheme which may result in some new public housing being built.
Expand the eligibility of water bill medical concessions to cover any medical condition or disability that creates the need for significant extra water use	Not funded.
Undertake a pilot project with SA Water to provide extra support for targeted customers through a priority needs register that could be extended to other essential services in the future	Not funded.

SACOSS Proposal – Extending Justice to Everyone	Budget Outcome
Remove incarceration as a penalty for the non-payment of fines	Not done, but the deferral of payments and moratorium on debt collection should have had the same effect in the short term.
Establish a regional justice reinvestment pilot program for Aboriginal young people	Not funded.
SACOSS Proposal – Backing the Community Sector	Budget Outcome
Commit to working to fund the Equal Remuneration Order gap	Not funded.
Fund the development of a sector-led workforce strategy for the community sector in South Australia, led by SACOSS	Not funded. The budget has allocated \$3.2m in 2020-21 for critical workforce mobility measures in response to COVID-19.
Establish a statutory advocate for volunteers to promote and protect volunteer rights	Not funded.