



SACOSS

State Budget Snapshot 2017-18



SACOSS

*South Australian Council
of Social Service*

June 22, 2017

Overview

SACOSS has prepared this snapshot of the 2017-2018 South Australian State Budget for the benefit of its members. It is divided into areas of interest to the SACOSS membership, not into specific portfolios, and is underpinned by SACOSS' Strategic Plan and our budget submission.

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Each of these areas is assigned a table that summarises key Budget initiatives in the relevant area, providing SACOSS members with a quick reference with which to frame responses to the State Budget. Not all areas are covered in this Snapshot due to both time restrictions and availability of detail in the Budget Papers.

Cost figures are for four years unless otherwise referenced.

1. Economic Data

The Budget comes against a background of high unemployment, growing underemployment and the imminent final closure of Holden. But in the last year economic growth increased – as did employment growth at 1.25%. Employment growth is predicted to continue to grow at 1% p.a. in the coming years and as it is higher than the population growth, we should see proportionately more people in work (although the employment figures say nothing about underemployment and/or the types of employment).

We do note though that strength of regional economies across the state varies considerably with some regions of the state particularly vulnerable.

The headline economic data for South Australia is as follows:

Item	2017-18 Budget	2016-17 Estimated Result	2016-17 Budget
Gross State Product - growth	2.25%	2.25%	2%
Net debt	\$6,072	\$6,297m	\$6,246m
Employment Growth	1%	1.25%	0.75%
Unemployment Rate (Trend)		7.1%	
Gross State Revenue	\$19,148m	\$18,268m	\$18,263m
Gross State Expenditure	\$19,076	\$18,030	\$18,009m
State Budget Surplus	\$72	+\$239	+\$254m

Against this background the budget delivers continuing economic surpluses – much reduced this year due to substantial new expenditures, but increasing over the forward estimates up to \$462m in 2020-21 (which, if it eventuates, will be the largest surplus in twenty years). However, these bottom line figures hide a number of important trends in both revenue and expenditure.

Revenue

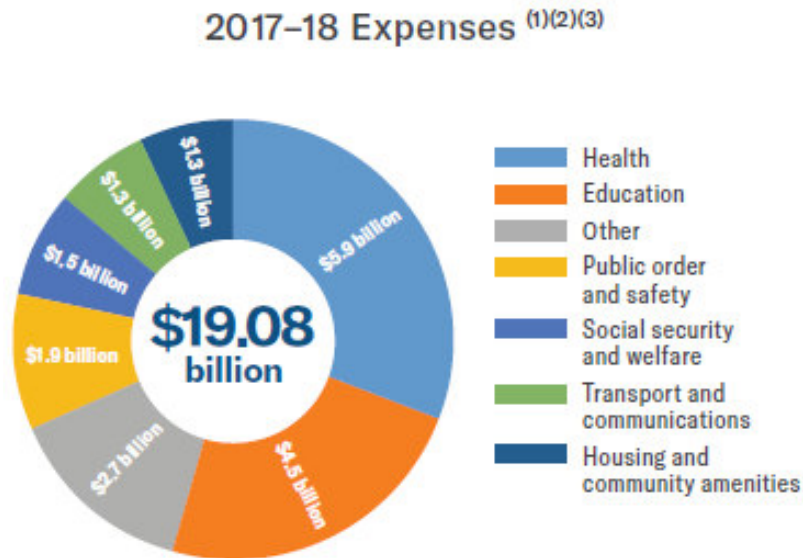
The predicted budget surpluses are underpinned by two new taxes: the SA Major Bank Levy and the conveyance duty surcharge on foreign buyers of residential property (see below). These will raise over \$400m across four years, which will be much needed because other tax initiatives will cost future revenue and more importantly, revenue from many of the existing state taxes has fallen this year and/or shows limited growth in the future.

State tax revenue has been revised down by \$96m over the last year due to falls in payroll tax, conveyance duty and gambling taxes, while South Australia’s share of GST fell by \$167m. This would have been an enormous blow to the state coffers, but was offset by slightly higher income from sales of goods and services and nearly \$300m more than anticipated from the Motor Accident Commission (MAC) – with a further \$484m expected across the forward estimates. There are also significant contributions to revenue factored into this budget from sale of the Lands Title Office (LTO). As SACOSS noted in our last *Budget Snapshot*, this revenue derived from the privatisation of services/businesses like the MAC or the LTO, are not a long term solution to addressing revenue problems and it disguises the long term structural challenges in the state tax base.

Item	Description	SACOSS Comments
SA Major Banks Levy \$370m	A new levy of 0.015% of bank liabilities in SA, effectively mirroring (and doubling) the new Federal bank levy on bank operations in SA	While some of this levy may be passed on to customers, this is a good revenue initiative – and much needed to provide revenue to pay for public services.
Conveyance duty surcharge on foreign buyers of residential properties \$48.8m	Introduction of a new 4% conveyance duty surcharge on purchases of residential properties by foreign entities.	Noting that this applies only to residential properties (stamp duty on commercial property is being phased out), this provides an important boost to the budget bottom line.
Lower payroll tax for small business \$45m	Locking in perpetuity the current “temporary” concessions for small businesses so that businesses with payrolls up to \$1m will pay 2.5% tax, with incremental increases after that up to a payroll of \$1.5m when the full rate of 4.95% will start.	While SACOSS has some concerns about the revenue impact of this measure, locking in a progressive payroll tax scheme is welcome.
Extend the off-the-plan apartment stamp duty concession \$8.4m	A 12 month extension of an existing temporary concession of up to \$15,500 of the stamp duty applying to purchase of apartments off-the-plan. This is in addition to the \$10,000 pre-construction grant for the same purchases.	This is more a building stimulus measure than a housing affordability measure, and comes at a cost to revenue (limited by being “temporary”).
5-year Land Tax Exemption for Investors buying apartments off-the-plan \$0.3m	An exemption from land tax for five years for investors who buy apartments off-the-plan before 30 June 2018.	Benefitting only 100 owners, this probably sets a poor precedent of “tax holidays” to encourage even minor investment and again, is not targeted at affordable housing.

Expenditure

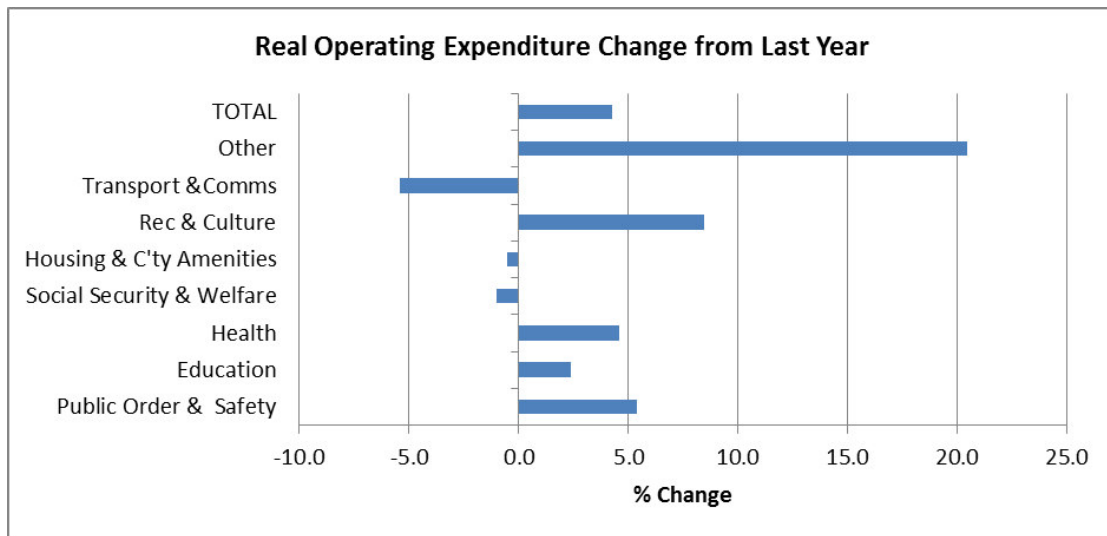
Government expenditure is the means by which the government provides public infrastructure and services that the community needs. For the first time, this year’s Budget Overview contained a graph showing where the government spends money. Health, education and community services account for 58% of government expenditure.



A recent SACOSS survey of 1,000 South Australians suggested that a majority of people (68%) wanted to see more spent on public services, particularly on health, education and community services.

This Budget sees total operating expenditure increase from \$18,030m this year (2016-17) to \$19,741 in 2020-21. Adjusted for inflation however, SACOSS calculates that this is effectively no increase in real terms over the 4 years and the value of expenditure actually drops in the last 3 years of the estimates.

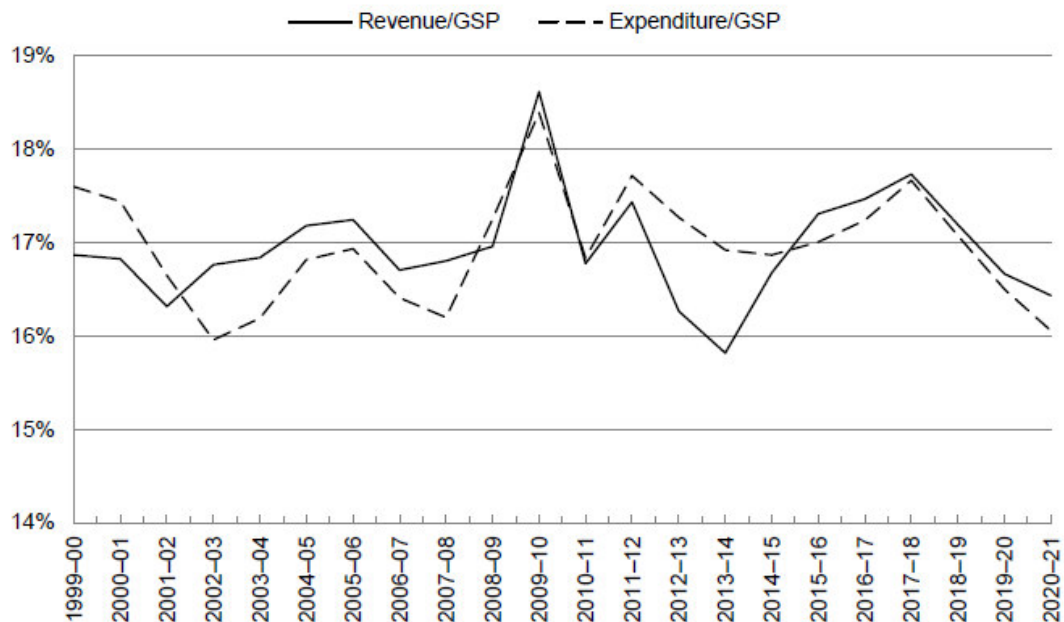
The figure below shows the percentage real change in key areas of government expenditure from the estimated outcomes for 2016-17 to the budget for 2017-18. This is operational expenditure and so does not include capital expenditure (which is more volatile). The largest increase is in the miscellaneous “Other” category, which is dominated by a \$100m increase in operational expenditure from the \$550m Energy Plan. In relation to the more “normalised” expenditure, the Budget sees an increase in health and education expenditure, but disappointingly a decline in social security and welfare and housing and community amenities – areas vital to vulnerable and disadvantaged people.



Long Term

As the graph below from Budget Paper 3 shows, state revenues are set to decline over the forward estimates with a commensurate decline in expenditure – again raising concerns about the level of service provision possible under this model of shrinking government. Indeed, revenue is headed back to the levels of 2013-14 when SACOSS began raising the issue of the need for a sustainable tax base – precisely because of the lack of money available for vital services.

Figure 1.2: General government sector revenue and expenditure as a percentage of GSP



2. Digital Inclusion

The digital future is now, and SACOSS believes it is imperative we are working to ensure no-one is be left behind. Digital technologies are taking a key role in economic and social life. Yet large numbers of South Australians are and in particular people with disability, seniors, Aboriginal people, people who have not finished secondary school and people living in country regions.

Many don't have either the online access to help them with job hunting, education and training, social interaction and other supports that can improve their lives or necessarily the skills to ensure they can make the best use of available technologies. Moreover, for many people access is compromised by simply being unable to afford to purchase needed data or keep up with continuously evolving and updating technology.

Similarly, there are very few areas where our government services, large businesses and the education sector do not have growing expectations about our capacity to transact basic interactions through online interfaces. If anything, these expectations are only likely to grow over coming years.

SACOSS is very disappointed that the state budget contains few digital inclusion initiatives that would benefit our economy and society, and importantly drive future jobs growth. While the one digital economy initiative is supported, it needs to be part of a broad plan both to grow the digital economy and ensure everyone can participate.

If South Australia is to successfully capitalise on the social and economic opportunities provided by the growing digital and high tech economies, we must enhance the skills and capacity of our people, as well as provide the necessary infrastructure to ensure all South Australians are included in the new economy. As SACOSS argued in our Budget Submission, this should be a major area of attention and investment in future budgets.

Item	Description	SACOSS Comments
Adelaide Gig City Program Expansion \$2.9m	Extending access to ultra-high speed broadband network within the CBD, and exploring its extension to Whyalla and Mt Gambier.	SACOSS supports this initiative, and in particular the steps (albeit tentative) into regional areas.

3. Infrastructure

Modern, attractive, safe and accessible infrastructure is vital, not just for the economy, but for society. The government has an important role to play in building and maintaining public infrastructure for jobs growth and the life of the community. People rely on public infrastructure such as transport systems, hospitals, social housing and community facilities to connect them with employment, education and training opportunities, health and community services, and for social participation.

SACOSS welcomes the significant infrastructure investment with its job creation and public service outcomes. It is important that such projects pay particular attention to being constructed in ways that account for and address the needs of vulnerable and disadvantaged South Australians. This must include using standards that meet universal design expectations.

The bulk of the new infrastructure measures in this Budget are dealt with in the sections dealing with Health, Transport, Education, Utilities, Housing and Justice. SACOSS also notes the significant infrastructure spending on roads, jetties, sporting facilities, and Her Majesty’s Theatre in Adelaide. These offer job creation and public amenity opportunities, but there also needs to be a similar commitment to regional infrastructure.

Item	Description	SACOSS Comments
Fund my Neighbourhood \$40m (over 2 years)	A fund to allow local communities to determine which projects governments should fund to enhance the local community ranging from small infrastructure projects through to initiatives designed to strengthen community cohesion.	SACOSS certainly supports the idea of giving local community members opportunities to engage in participatory budgeting and looks forward to a formal independent examination of this initiative from the perspective of its success, fairness and usefulness to the local communities concerned.

4. Employment, Education and Training

South Australia has the highest rate of unemployment in the nation and continues to experience stubbornly high long term unemployment and underemployment levels. In this context it is pleasing that the state budget is focused on jobs and economic development. However SACOSS notes that a number of initiatives are again focused on attracting and supporting business and industry. While this may have the potential to create jobs, SACOSS would like to see corresponding investment in robust monitoring and evaluation to ensure the state is seeing a sufficient return on its investment and that jobs are being created.

Further, given the State’s high youth unemployment and the closure of the car industry, SACOSS is very pleased that this year’s State Budget has targeted the Job Accelerator Fund towards the employment of apprentices and trainees by small business. It is vital that young people and others looking to retrain are provided with opportunities to gain the skills and experience needed to obtain useful qualifications and satisfying employment. SACOSS is however disappointed that the budget does not contain more initiatives that are specifically designed and targeted to address the needs of other vulnerable and disadvantaged jobs seekers, such as older workers, Aboriginal people, people in regional communities and those from non-English speaking backgrounds. Continuing efforts are needed for these groups to overcome barriers to participate in any jobs growth that results from this State Budget.

Item	Description	SACOSS Comments
Future Jobs Fund \$200m	A fund to support the growth of industries that will create the “jobs of the future” following the closure of our car industry, including: <ul style="list-style-type: none"> • \$120m in grants and low interest loans for job creation • \$60m in grants and loans for industry attraction • \$14.5m to secure major events and business connections • \$5m for automotive industry diversification • \$2m to extend the “I Choose SA” consumer campaign 	While SACOSS supports initiatives that aim to create jobs in growth industries following the closure of the car industry, SACOSS notes that the focus is on traditional industries and may not sufficiently embrace the new digital economy and other growth industries. We also note that health and community services are the fastest growing employment area in SA, but are not a target of the Fund.

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<p>Increase Job Accelerator Grant for apprentices and trainees</p> <p>\$8.2m (over 3 years)</p>	<p>The existing Job Accelerator Grant will be increased by up to \$5000 for each eligible new apprentice or trainee employed and eligible for an existing Job Accelerator Grant.</p>	<p>SACOSS welcomes the initiative and would like to see it expanded to target other vulnerable and disadvantaged job seekers.</p>
<p>Work Ready, Release Ready</p>	<p>See justice section</p>	
<p>New Northern and Southern Adelaide Schools</p> <p>\$7m</p>	<p>This initiative will provide for new schools in the Munno Para region and Sellicks Beach/Aldinga region.</p>	<p>SACOSS welcomes the government's investment in public education in growth areas, but questions why a public-private partnership was required.</p>
<p>Right Bite pilot program for school children</p>	<p>See Child and Wellbeing section</p>	
<p>South Australian Collaborative Childhood Project</p> <p>\$910 000 (over 1 year)</p>	<p>This initiative supports the South Australian Collaborative Childhood Project to research and develop local approaches to the principles of the Reggio Emilia educational philosophy. It consists of:</p> <ul style="list-style-type: none"> • \$410 000 to develop and support four prototypes sites or services. • \$500 000 towards hosting the 2017 Early Childhood Conference. 	<p>While SACOSS welcomes investment in research and development of new and potentially beneficial approaches to education and early childhood, we find it hard to understand how over half of this allocation can be spent on a single conference.</p>
<p>Support for Arrium Whyalla Steelworks</p> <p>\$1.6m (over 1 year)</p>	<p>The initiative supports South Australia's Steel Task Force to secure the future of the Arrium Whyalla Steelworks.</p>	<p>SACOSS recognises the importance of Arrium to the Whyalla community and supports efforts to develop a viable industry there.</p>
<p>Adelaide Gig City program expansion</p> <p>\$2.9m</p>	<p>See Infrastructure section.</p>	

<p>Innovation program \$2.5m (over three years)</p>	<p>This adds to the \$29.8 million over four years provided in the 2016–17 Budget for a series of innovation initiatives, including Investment in the Future Industries Institute and the South Australian Early Commercialisation Fund.</p>	<p>While SACOSS supports initiatives that aim to grow and transform the State’s economy, transparent monitoring and evaluation is needed to ensure there is an adequate return on investment and that actual jobs are being created as a result of this investment.</p>
<p>Headquartered Company Taskforce \$250,000 (over one year)</p>	<p>This initiative supports the Property Council of Australia (SA Division) to establish a Headquartered Company Taskforce to pursue and promote South Australia as a home base for major multinational companies.</p>	<p>While SACOSS supports the initiative to attract business and grow the State’s economy, we note there may be negative consequences of flaming a bidding war with other states.</p>
<p>Lower the payroll tax rate for small businesses</p>	<p>See Economic Data and Revenue section</p>	

5. Poverty and Cost of Living

Poverty remains a persistent feature of South Australian society and is multi-dimensional. The inability to meet basic living costs is a key indicator of poverty and in turn a driver of other aspects of poverty and disadvantage.

Cost of living pressures affect all households, but obviously impact more significantly on lower income households both because these households tend to spend proportionately more of their income on the necessities (the prices of which are rising), and because they usually do not have the reserves or flexibility in their budgets to absorb rising costs.

Government taxes, fees and charges add to cost of living pressures, although the revenue is needed to fund the vital services that our community relies on. In this context, the fairness of taxes is crucial, and a system of proper concessions and support services for low income households is vital for protecting vulnerable and disadvantaged people.

Item	Description	SACOSS Comments
Government fees and charges Average increase 2.2%	Average rise of 2.2% for government fees and charges across public transport, car registration, drivers' license renewals and speeding fines; ie 10cents for single bus trip, \$3-\$8 to register a car, \$5 to renew drivers licences for 5 years	All these rises (bar one) are more than CPI (2% in Adelaide and 2.1% nationally) and will impact particularly on people whose incomes are fixed to CPI (such as those on Newstart or Youth Allowance) or grow at a rate lower than the rate of actual increases. SACOSS continues to encourage the government to implement a system of fines proportionate to income, rather than the current regressive flat rates.
Indexation by CPI of utility related concessions from 1 July 2017		SACOSS welcomes this move that relieves some of the cost pressures on low income households, but notes the concession really requires re-design to be based on a percentage of the bill (rather than the current flat rate).

6. Utilities

The cost of utilities (electricity, gas and water) has been a focus of cost of living debates and a particular concern for vulnerable and disadvantaged people because these expenditures are essential, hard to budget for, and impact disproportionately on low income households. Last year’s budget delivered on a number of utilities programs, including the South Australian Energy Consumer Advocacy Project and the Interconnection to Support Renewable Energy Growth Assessment.

SACOSS recognises that the energy market is in transition to a zero carbon future and that there are costs associated with this transition. For this reason, SACOSS is strongly supportive of implementation of a percentage based concession which would help the most vulnerable deal with the costs associated with the transition. SACOSS also recognises that there are system security issues arising out of the changing generation mix. The related 2017-18 State Budget measures significantly target these issues.

In the last year, utility prices in Adelaide have increased by 2.7% (significantly more than the general inflation rate). Electricity prices increased by 12.7%, and prices will further increase in the next financial year. Water prices decreased by 6.3% last year while gas prices decreased by 10% after steep increases in previous years.

Item	Description	Comments
State Energy Plan \$550m	Includes new 250MW gas-fired power plant (\$360m), creation of Renewable Technology Fund (\$150m), incentivising gas production (\$24m) and additional funding for implementation.	SACOSS welcomes the recognition of gas as an important transitional fuel in the move to zero carbon and supports the investments in battery technology to ensure the long term viability of utility scale storage combined with solar and wind.
Northern Adelaide Irrigation Scheme (NAIS) \$155.6m	This initiative provides for the construction of stage 1 of the NAIS, subject to Federal co-funding.	This would be an important economic development and employment creation initiative for Northern Adelaide, but the funding for this is not clear.
Hydrogen Refuelling Station and Fuel Cell Bus Trial \$8.4m	Construction and operation of a hydrogen production facility and vehicle refuelling station for at least six hydrogen fuelled buses.	SACOSS understands that hydrogen production and utilisation is cutting edge low carbon technology. SACOSS welcomes this measure.

<p>Laneway Battery Demonstration Program</p> <p>\$500,000 (over 2 years)</p>	<p>Install battery systems in laneway businesses in Leigh St, Peel St and Bank St for up to 100 businesses.</p>	<p>Provision of means to better manage energy costs for small business is an important initiative.</p>
<p>Electric Vehicle Charging</p> <p>\$275,000 (over 1 year)</p>	<p>Helps provide for the installation of five electric vehicle charging stations in the CBD and North Adelaide, as well as helps provide ten parking spaces with charging facilities in U-park car parks.</p>	<p>The move to electric vehicles is an important step towards decarbonisation and SACOSS supports this measure.</p>

7. Child Safety and Wellbeing

SACOSS has long maintained an interest in issues of child wellbeing and safety. As vulnerable members of our society, children must be supported to develop their full potential as contributing adults of the future. Where there are failures in our ability to provide opportunity and protection to our children in our families and communities, there is both individual suffering and significant flow on effects, feeding other areas of social breakdown and disadvantage.

SACOSS continues to argue for the need for a public health model for child safety and wellbeing in South Australia that directs resources towards prevention and early intervention, rather than a crisis model that directs funds and services towards the tertiary end. SACOSS continues to be frustrated that the government’s approach to investment in child safety and wellbeing remains focused on patching a broken child protection system.

This budget provides few exciting initiatives in the area of child wellbeing.

Item	Description	SACOSS Comments
Child protection- additional resources \$86.5m (over 2 years)	The additional funding in 2016-17 (\$68.25m) & 2017–18 (\$18.2m) to meet an increase in costs of children in commercial care, and to assist NGO’s establish additional residential care facilities.	We are extremely disappointed that SAs expenditure continues to increase in the area of commercial and residential care. Investments in prevention and in the provision of intensive family supports are desperately needed to curb this trend.
Right Bite pilot program for school children \$608K (over 2 years)	To pilot program to deliver fresh fruit and vegetables, free of charge, to selected metropolitan and regional primary schools	The money for this program has been reallocated from existing expenditure. SACOSS is supportive of programs aimed at increasing the health and wellbeing of children through the establishment of healthy eating practices, but we question where expenditure has been sourced and what has been cut to fund this initiative.
South Australian Collaborative Childhood Project \$910K (over 1 year)	See education section.	

8. Disability

SACOSS, in its continuing support for the National Disability Insurance Scheme (NDIS), has sought a successful transition to the NDIS for all eligible participants and support for those people who do not meet the eligibility criteria.

SACOSS has argued that more work needs to be undertaken with the broader disability and mental health sectors to enable the successful transition to, and implementation of, the NDIS in the short term. In the longer term, an exploration of the issues facing NDIS participants, and importantly people with a disability not covered by the Scheme is required.

There are particular concerns that arise in relation to supports of people with mental health issues, many of whom SACOSS understands will not be eligible for and have access to, the NDIS and yet are supported through existing State Government funded services in the non-government sector. Failure to continue providing supports to these people will almost certainly result in increased levels of emergency department presentations, hospitalisations and potentially homelessness.

The State Government has as yet only committed to continued funding for people living with mental illness who won't get access to the NDIS during the transition period through till July 2018. This means that a very large number of people who have a mental illness, plus their families and loved ones, and the community services who support them, are all living with serious uncertainty about their ongoing community support.

State Government support for people living with disability and for disability services is particularly important throughout the rollout of the NDIS. State Government services need to ensure people with disability are supported through the transitions process, and provided with sufficient information to access the Scheme and services they require. State Government services need to compliment and support the NDIS' underpinning purposes of social inclusion and choice and control.

The pace of the roll-out of the Scheme has cast a shadow over the integrity of the NDIS planning process, potentially creating major risks for the ongoing wellbeing of some people with disability. SACOSS believes it is imperative the State Government maintain active oversight of the implementation of the NDIS, so as to ensure the outcome for both participants, and those who fall outside the Scheme.

Further, SACOSS calls for the State Government to urgently strengthen access to independent advocacy for people who live with a disability and their families, in order to support eligible participants through the planning process and ensure their needs are met.

Item	Description	SACOSS Comments
<p>Disability and Domiciliary Care</p> <p>\$5.9m (over 2 years)</p>	<p>Provides for an across government response to meet the costs of the reforms for disability and domiciliary care services, including case management support and scoping studies for disability related businesses.</p>	<p>While these costs may be required SACOSS notes that the role of Disability SA should be reducing as people transition to the NDIS. This should provide significant savings in this portfolio. It is not clear where said savings are accounted for and thus if these kinds of additional expenses are required.</p>
<p>Disability Services Support</p> <p>\$2.5m (in 2016-17)</p>	<p>Access to an additional range of services including accommodation support, community support, and community access and respite services.</p>	<p>SACOSS welcomes the recognition of the growing needs of people with a disability prior to the transition to the NDIS. SACOSS notes this measure is additional to funds provided in the 2016-17 Budget.</p>
<p>Changing Place Facilities</p> <p>\$200,000 (over 1 year)</p>	<p>Provides five fully accessible public toilets that meet the needs of people with a range of disabilities as well as the aged.</p>	<p>This is a very welcome and overdue initiative which SACOSS would like to see repeated with continuing investments in this type of inclusive infrastructure.</p>

9. Health

An efficient and effective state health service is vital for health equity in our state, but SACOSS is alarmed that health expenditure continues to emphasise a health model built around tertiary care and large hospital infrastructure. While these facilities are important, there needs to be an acknowledgement of role non-hospital based services in preventing chronic conditions and a commensurate investment in those measures that keep people well and out of hospitals. This will ultimately reduce the cost to the Budget of delivering health care.

SACOSS also notes that the State Government has for a number of years been prosecuting “Transforming Health” which was essentially directed at arranging our hospital services in ways which would ensure specialisation, efficiency and better patient care outcomes. It is not clear how new health infrastructure investments are likely to fit with this process. Moreover, while the focus of all this attention and resources has been on transforming hospital care, there has been a diminishing focus on any services and activities that would prevent or even delay people from needing access to tertiary level services.

We further note that while we all look forward to the opening of the new RAH which has been specifically designed to individualise and thus strengthen intensive patient care, this new hospital was specifically designed based around an assumption that there would be a wide range of services across our community to support people to exit specialist hospital care and return home in very short periods of time. SACOSS is not at all confident that the range and availability of services required will be in place which almost certainly will result in extended stay requirements and thus massive pressures on the new RAH.

Item	Description	Comments
Major Hospital Upgrades \$1.1bn	<ul style="list-style-type: none"> • \$528m for Building a new Adelaide Women’s Hospital • \$198m for Stage 3 of redevelopment to deliver new clinical services • \$24m to upgrade existing Women’s and Children’s Hospital • \$9.2m for a specialist 8 bed Emergency Extended Care Unit at Modbury Hospital • \$3.5m for 2 new operating theatres at Flinders Medical Centre 	Whilst welcoming additional capacity reflecting demand SACOSS remains concerned at the lack of investment in primary and preventative health.

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<p>Health Services – Additional Resources</p> <p>\$195m (over 3 years)</p>	<p>Allocation for additional hospital services responding to ongoing growth and continuing to addresses the Commonwealth 2014–15 Budget cuts.</p>	<p>While we acknowledge the impacts of Commonwealth cuts, again this is money directed to tertiary care rather than keeping people out of hospitals.</p>
<p>Build SAHMRI II</p> <p>State contribution \$44m (2 years)</p>	<p>Contribution toward building the SAHMRI II medical research hub to house a proton-therapy centre for cancer treatment.</p>	<p>This will be a welcome addition to the state’s advanced scientific research and medical treatment capacity.</p>
<p>Combating Crystal Methamphetamine in South Australia – Stop the Hurt Strategy</p> <p>\$8m</p>	<p>This initiative provides funding for a suite of measures aimed at reducing the supply of Crystal Methamphetamine, increasing family support, building capacity in the community to intervene effectively and expanding treatment options.</p>	<p>Given the potential for an overemphasis on law and order aspects, SACOSS welcomes the recognition that drug dependence is fundamentally a health issue and the inclusion of treatment, support and education programs within the strategy.</p>
<p>Specialist older person’s mental health facility</p> <p>\$14.7m</p>	<p>See entry under Older People and Aged Care</p>	
<p>24/7 Mt Barker emergency doctor</p> <p>\$6.7m</p>	<p>Continuation of trial service for an on-site emergency doctor 24 hours a day at Mount Barker District & Soldier’s Memorial Hospital</p>	<p>A welcome addition to meet growing demand for this semi-urban population.</p>
<p>Contribution to Australian Digital Health Agency</p> <p>\$4.7m (over 2 years)</p>	<p>Contribution to the Agency delivering the national digital health care program including establishing a state-wide secure messaging capability between SA Health and general practitioners</p>	<p>SACOSS welcomes projects aimed at improving the coordination of care for the benefit of patients.</p>
<p>Continuation of Statewide Gambling Therapy Service</p> <p>\$1.25m</p>	<p>Provides funding for treatment via the Statewide Gambling Therapy Service for people with gambling disorders and co-existing conditions.</p>	<p>SACOSS notes this service had previously been defunded and further that the renewed funding is drawn from additional contributions to the Gamblers Rehabilitation Fund raised from the introduction of a wagering tax.</p>

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New Ambulances in the APY Lands \$730k	A one off grant to enable Nganampa Health Council (NHC) to purchase 7 vehicles to provide emergency services in the APY	This is a welcome initiative which will enable better emergency service delivery across the APY lands
Mental Health - Suicide Prevention Plan \$600k	Additional support to finalise the plan and support its implementation.	This is an important plan and thus SACOSS welcomes the extra funding which will enable it to be finalised.

10. Housing and Homelessness

Access to safe and secure housing is a key determinant of health, wellbeing and life experience. Stable and secure housing is the primary platform for connection to economic and social community life. Having affordable housing supply remains a critical issue for South Australia, as does the issue of homelessness.

As part of its 2017–18 Budget the Commonwealth Government announced its intention to combine funding for the National Partnership Agreement on Homelessness (NPAH) and the National Affordable Housing Agreement (NAHA) to form a single National Housing and Homelessness agreement from 2018–19. The details of this combined agreement are yet to be negotiated.

Given the centrality of housing to being able to build a secure and stable lifestyle, SACOSS has long argued the importance of the State Government continuing to make clear, as well as deep, investments in the development of both low cost but high quality, energy efficient and accessible housing infrastructure as well as support to ensure people who would otherwise be homeless are assisted to transition to a secure housing and lifestyle as quickly as possible.

Item	Description	SACOSS Comments
National Partnership Agreement on Homelessness \$18.1m over 1 year (including \$9.05m in revenue)	Continuation of services under NPAH including homelessness prevention programs, 24/7 crisis response programs, and services which support homeless people back into mainstream housing, training and employment.	SACOSS welcomes continuation of this funding which is required to match Commonwealth funding for homelessness while the agreement is re-negotiated.
Extend the off-the-plan Apartment Stamp Duty Concession \$8.4m (over 3 years)	See commentary in Revenue section	
Land tax exemption for off-the-plan apartments \$0.3m (over 3 years)	See commentary in Revenue section	

11. Justice

SACOSS continues to support a restorative approach to justice involving victims and the community in a manner which seeks to heal the relationships damaged by crime and to reduce the likelihood of further offending. Prison is an expensive response to criminal behaviour but worse, prison alone does little to reduce the likelihood of future offending and therefore has little impact on community safety.

SACOSS has long been concerned that the overwhelming priority of the State Government’s justice policy has been surveillance and punishment. Because of the increasing costs associated with implementing these types of “tough on crime” policy settings, there has recently been more interest in strategies to combat recidivism in particular. This is extremely welcome and SACOSS hopes that it is the beginning of a range of new policy settings directed at enabling people who commit crimes to be supported to rehabilitate and to exit the justice system with the strongest possible expectation they will never return.

SACOSS further hopes that the State Government will move to introduce and fund a range of services and activities that would act to prevent people turning to crime. This would likely to be better for the community, and be vastly more cost effective over the long term.

Item	Description	Comments
Mount Gambier Prison Beds \$38.3m	This initiative provides additional funding to upgrade infrastructure and operate additional 160 prisoner beds at Mount Gambier Prison.	SACOSS recognises the importance of providing a positive prison environment and adequate facilities to support rehabilitation, but we are disappointed there is the need for such a significant and costly expansion of this prison facility.
New Foundations \$18.9m	This initiative funds housing and intensive support services to offenders who are eligible for release or are being considered for a community based order but do not have access to suitable housing.	We welcome this important initiative and acknowledge the difficulty people currently have in finding accommodation and accessing adequate support upon exiting incarceration.
Faster Adoption of Home Detention \$14.16m	This initiative provides funding for the additional costs of GPS monitoring devices and for the Intensive Compliance Unit which undertakes electronic monitoring of offenders.	SACOSS welcomes this initiative because we see home detention as a better alternative to custodial incarceration for many people.

<p>Work Ready, Release Ready</p> <p>\$9.2m</p>	<p>This initiative provides infrastructure and operating expenditure to develop and expand rehabilitation services in the areas of education, vocational training and employment.</p>	<p>SACOSS welcomes programs aimed at assisting the reintegration of people leaving incarceration and reducing recidivism. We hope that qualifications are delivered and accredited by a mainstream institution to avoid stigma. SACOSS also wonders whether the opportunity should be offered to people who pose a low risk for day release to engage in educational courses at public institutions.</p>
<p>Higher Courts Redevelopment</p> <p>\$33.6m</p>	<p>This initiative provides funds to redevelop the Sir Samuel Way Building to increase the number of jury court rooms and to refurbish existing Supreme Court buildings.</p>	<p>SACOSS welcomes measures that will ease backlogs so that the justice system works in a timelier manner.</p>
<p>Expansion of South Australian Civil and Administrative Tribunal (SACAT) and appointment of an additional Supreme Court Judge</p> <p>\$9.3m</p>	<p>This initiative provides funding for an expansion of SACAT's accommodation, for costs associated with SACAT's increased operations.</p>	<p>SACOSS welcomes an increase in SACAT responsibilities that provide an important avenue to resolve disputes away from the court system. A dedicated fulltime leadership position should help the effectiveness and efficiency of the tribunal.</p>
<p>Coroner's Court — additional Deputy Coroner</p> <p>\$2.9 (over 2 years)</p>	<p>Provides additional resources as requested by the Coroner, including additional Deputy Coroner to clear backlog cases including a number of complex matters.</p>	<p>SACOSS supports this initiative as coronial inquests can provide important learnings through examination and generate helpful recommendations regarding systems improvements. Decreasing delays in proceeding will have the benefit of reducing the distress of family members.</p>
<p>Improving Digital Capability in our Courts</p> <p>\$802k (over 1 year)</p>	<p>This provides funds to install Digital Audio Remote Monitoring (DARM) in a further 16 courtrooms, enabling court proceedings to be recorded and transcripts produced remotely.</p>	<p>SACOSS anticipates that this will help to improve the efficiency of court proceedings and thus supports this initiative.</p>

<p>Combating Crystal Methamphetamine in South Australia — Stop the Hurt Strategy \$8m</p>	<p>See Health Section</p>	
<p>Legal Services Commission- additional resources \$664k (over 4 years)</p>	<p>This initiative provides extra funding for the Legal Services Commission to address increased demand for legal representation in Guardianship matters.</p>	<p>SACOSS welcomes this initiative and acknowledges the important role of the Legal Services Commission.</p>

12. Transport

Safe, affordable transport and associated infrastructure is vital, not just for the economy, but for our community more broadly. People rely on access to affordable transport to connect them with employment, education and training opportunities, access to health and community services, as well as for daily living activities and social participation.

Given that many South Australians do not own vehicles, public transport is vital and particularly for low income and disadvantaged people. SACOSS has repeatedly called for further attention to be paid to the needs of people living in the outer metropolitan, regional and rural areas of our state and specifically to their needs and access to forms of public transport.

Note that issues relating to increased transport fees and charges are canvassed in the Poverty and Cost of Living section.

Item	Description	SACOSS Comments
Increased train service levels \$22m	Increase the frequency of train services on the Gawler, Outer Harbor, Belair and Seaford lines, including nights and weekends.	SACOSS welcomes this initiative which will potentially lead to greater convenience and use of public transport.
Gawler line electrification \$705m (over 5 years)	Electrification of the Gawler rail line from Salisbury to Gawler. Stage 2 Salisbury to Gawler (\$462.5m). <u>subject to</u> Federal Government co-funding.	SACOSS welcomes the investment in new public transport infrastructure which will stimulate employment and enhance services.
O-Bahn Park n Ride facilities \$15m (over 2 years)	Build 2 new O-Bahn Park n Ride facilities at Klemzig (200 spaces) and Tea Tree Plaza (300 spaces), including additional disability parks.	SACOSS acknowledges this is an important measure to promote increased use of public transport and discourage people from having to drive into the city of Adelaide precinct.
Oaklands rail crossing grade separation \$79.3m	Upgrade of the Oaklands Crossing to separate rail and road traffic with co-funding from the Federal Government.	SACOSS recognises this will improve safety and potentially important access and egress to public transport facilities.

13. Aboriginal and Torres Strait Islander people

Many Aboriginal and Torres Strait Islander South Australians are well educated, employed, valued for their contribution, and enjoy good health and lifestyles. However, as a proportion of population there are still vastly more Aboriginal children, young people and adults who do not enjoy the same opportunities, or who experience the same levels of educational attainment, or labour force participation as other members of the South Australian community. Similarly, Aboriginal children and young people are vastly overrepresented in our child protection and youth detention systems, as well as adults in our prison/justice system. Moreover Aboriginal and Torres Strait islander people are still likely to die at a much earlier age than the rest of the population.

In this context SACOSS recognises the urgent need to address the societal factors that contribute to this continuing disadvantage and poverty.

SACOSS has argued repeatedly that Aboriginal people need to be central to determining and governing services for their own communities. Unfortunately, for a mixture of reasons the number of community controlled organisations is declining.

We also note with interest the State Governments investment in supporting the development of a network of Regional Authorities and its commitment to explore establishment of a Treaty.

SACOSS maintains its position that improvements in justice outcomes would be enhanced by sustained funding for Justice Reinvestment activities and by negotiating an Aboriginal justice agreement directly with community leaders.

Item	Description	SACOSS Comments
South Australian Aboriginal interpreter Service \$2.3m	The establishment of an office in SA to support the provision of Aboriginal interpreter services across the state by increasing the pool of available interpreters.	SACOSS supports this essential social inclusion initiative to ensure all members of the community can access the services they need.
Justice Reinvestment \$270,000 (over 1 year)	To support an across-government place-based response to improving justice, safety and wellbeing outcomes for Aboriginal people.	Justice Reinvestment is an important initiative was a 2014 election commitment, but thusfar there has been only nominal funding. Again this is a modest amount and is only for one year.

14. Culturally and Linguistically Diverse Communities

Approximately 25% of the South Australian population is composed of people from culturally and linguistically diverse backgrounds. These communities are an essential part of the rich and vibrant South Australian landscape and positively shape a multicultural and harmonious society. Through promoting community capacity and community harmony, the South Australian community enables the cultural, linguistic and religious diversity in our society to flourish.

As with last year, we note that there are limited initiatives for culturally and linguistically diverse communities.

Item	Description	SACOSS Comments
Community Infrastructure and Investment Fund \$5m (over 1 year)	Upgrade infrastructure and purchase equipment to support the community and multicultural programs and services.	SACOSS supports funding for culturally and linguistically diverse communities and notes that this funding pool is not limited to just these communities.

15. Older People and Aged Care

There are many challenges and opportunities associated with our ageing population and one of our key challenges is to ensure our elders are supported to remain as valued contributing members of the community.

As the second fastest ageing state in Australia, South Australians over the age of 60 have a diversity of ageing experience. Geographical location, cultural and linguistic diversity, gender, income and wealth, Aboriginality and remoteness are all important considerations in addressing the needs of the ageing population.

This Budget has limited new initiatives that directly address the interests of older people.

Item	Description	SACOSS Comments
New Specialist Older Persons Mental Health Facility \$14.7 m (over 2 years)	Provides support for the development of a specialised model of care for older public patients who suffer from severe forms of disabling mental illness. Also provides for the development of appropriate alternative accommodation to support such patients.	SACOSS welcome this overdue measure to address these significant challenges faced by older people living with dementia, their loved ones, and the people who provide support to them. SACOSS notes that these issues are not likely to be fixed by simply changing the buildings that people live in.
Ageing Well Living Laboratory \$11.4m	Establish a coordinating body and Ageing Well Living Laboratory network to drive innovation and growth in the development of new products and services tailored for, and co-created with, citizens as they age.	SACOSS supports empowerment of older people in development of products and services tailored to their needs and welcomes this funding.
Personal Alert Systems Rebate Scheme \$6.3m (over 5 years)	Provides financial support towards the cost of a personal alert system to eligible older South Australians.	SACOSS supports this measure to allow older people to live independently in their own homes.

16. Sector Support

The budget papers reveal that the health and community services sector remains the fastest growing area of jobs growth in SA. The non-government health and community services are a vital part of this and they continue to provide an extensive range of important support and services for the most vulnerable and disadvantaged South Australians.

SACOSS has continued to have conversations with the Government and the sector on developing more appropriate partnership and funding mechanisms. In the last year further progress has been made and we remain particularly hopeful the Government will move to address concerns about indexation arrangements while embracing simpler and easier to administer funding instruments.

There were no budget initiatives under this heading.

17. SACOSS' 2017 – 2018 Budget Proposals

SACOSS Proposal	Outcome
Growing Employment Opportunities Digital Inclusion	
Establish a high-level stakeholder taskforce to develop and oversee a whole of government digital inclusion strategy.	Not supported
Convene a digital inclusion summit in the second half of 2017.	Not supported
Provide un-metered (free) access to state government websites.	Not supported
Provide project funding to SACOSS to assess the digital readiness of the community services sector, to scope opportunities to better utilise digital technologies and to build capacity within the sector to support digital inclusion both internally and among vulnerable and disadvantaged people.	Not supported Note: \$11.4m for the Ageing Well Living Laboratory which may include connecting people with training around building digital capacity?
Invest \$5 million per annum in an adult and community education Becoming Digitally Ready Workforce Foundation Course program.	Not supported

Growing Employment Opportunities Job Creation and Training	
Generate new community infrastructure across rural and metropolitan South Australia by investing \$20 million in a Community Centres Building Scheme.	Not supported We do note however \$5m for Multicultural and Community organisations to improve and upgrade infrastructure
Build new digitally equipped houses for disadvantaged people by establishing a \$250 million Community Housing Loan Scheme through a rolling fund of the South Australian Government Financing Authority.	Not supported
Revisit SACOSS 2016-17 State Budget training, skills and employment support proposals.	Not Supported Note: \$18.1m to continue services provided under the National Partnership Agreement on Homelessness which includes training and employment support, and the budget does contain a number of job initiatives.

Social Justice Initiatives Ensuring the Wellbeing of Children	
Establish a Commissioner for Aboriginal Children and Young People.	Not supported
Allocate \$100 million from the funding committed in the government response to the Nyland Commission, over four years, for early intervention in child protection, including \$50 million to assist NGOs to participate in Child and Family Assessment and Referral Networks and resource NGOs to provide vital early intervention services.	Not supported Note: \$86.5m allocated over two years (in addition to the \$432 Nyland response money) to meet the costs of children in care – but it is not clear how much, if any, of this money will go to early intervention.
Allocate \$1.5 million per annum to provide extended support services to young people in out of home care until age 21	Not Supported

Social Justice Initiatives Addressing the Cost of Living	
Transition to a percentage based energy concession.	Not Supported
Introduce income-based rates for fines and charges.	Not Supported

<p>Social Justice Initiatives Creating an Effective and Efficient Justice System</p>	
<p>Engage with local Aboriginal experts to establish an educational based alternative sentencing program for Aboriginal young people, possibly based on the UK Campus Educational Trust.</p>	<p>Not Supported</p>

<p>Revenue – State Tax Reform</p>	
<p>That the Government Response to the State Tax Review not be seen as the end of state tax reform: that proposals put forward by stakeholders in the course of that review continue to be considered.</p>	<p>Partially Supported</p> <p>While the specific initiatives canvassed by SACOSS were not adopted, our concern around declining revenues was addressed through the two new taxes (the major bank levy and conveyance duty surcharge on foreign investors). However, as noted above, these were offset by cuts to other taxes, and significant falls in the tax takes from payroll tax, conveyance duties and gambling tax.</p>