



SACOSS

*South Australian Council
of Social Service*

SACOSS

State Budget Snapshot

2014-15

June 19, 2014



Overview

SACOSS has prepared this snapshot of the 2014-2015 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

This Budget comes against a backdrop of economic challenges and revenue constraints. The current financial year has seen lower than anticipated economic growth and a decline in jobs. With the Holden closure looming in the next few years there are severe employment challenges, and the Budget is severely impacted by cuts in Commonwealth funding of \$898m over four years. Rather than cutting services, the Budget introduces one significant revenue measure to offset these Commonwealth cuts (increasing the Emergency Services Levy), although many of the impacts in later years are not accounted for in the budget estimates.

The headline economic data for South Australia is as follows:

Item	2014-15 Budget	2013-14 Estimated Result	2013-14 Budget
Gross State Product - growth	2.25%	1.75%	2.5%
Net debt	\$4,511m*	\$6,887m	\$6,951m
Employment Growth	1%	-1.25%	1%
SA Wages Growth		3.2%	
Unemployment Rate (Trend)		6.6%	
Gross State Revenue	\$16,067m	\$15,254m	\$15,265m
Gross State Expenditure	\$16,547m	\$16,487m	\$16,176m
State Budget Deficit	\$479m	\$1232m	\$911m

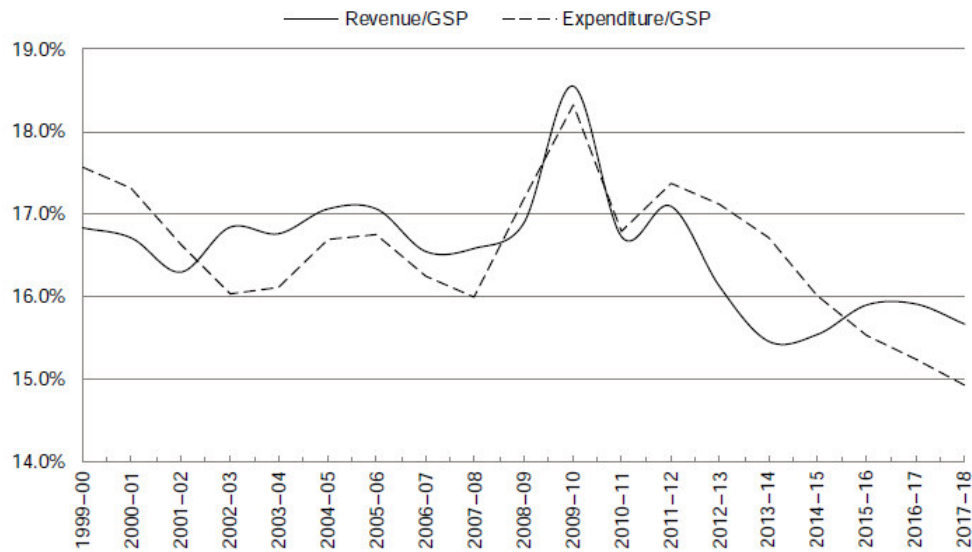
* Decrease incorporates transferring \$2,700m debt to SA Water and changes in arrangements for CTP Insurance.

Forward Estimates and Revenue Sustainability

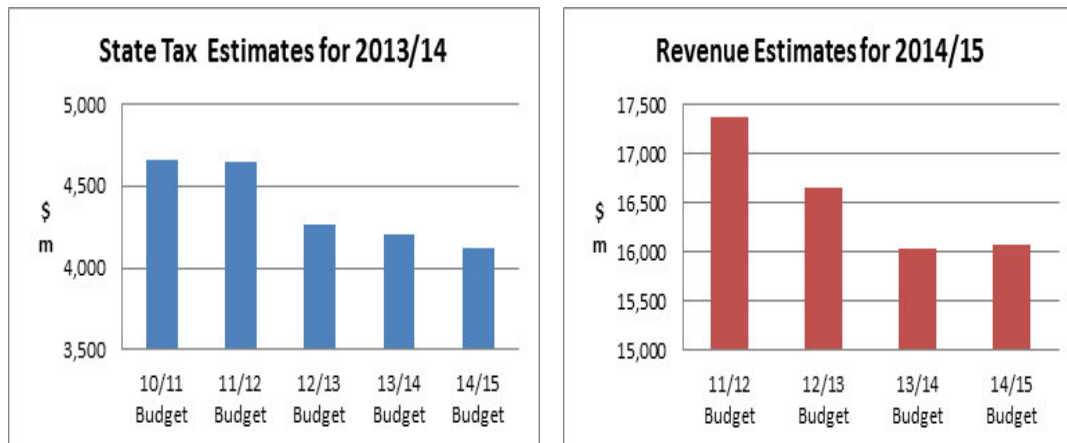
Beyond the headline data, there remains in this Budget a significant revenue challenge. As noted above, the Commonwealth cuts severely impact on the government's revenue and therefore on its ability to provide services. While the actual amount of dollars from the Commonwealth is projected to increase over the coming years (from \$7.85m this year to \$9.87m in 2017/18), in real terms (adjusting for inflation, population and economic growth) the budget impact of these cuts is significant.

The state government has only a very limited range of options to offset this revenue cut, and as the figure below (Figure 1.2 from Budget Paper No.3) shows, there appears to be a long term decline in state revenue. This is expressed as a percent of the economy, and is accompanied by a decline in expenditure and therefore the things that governments can do in the community.

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



While this decline is significant and alarming, the forward estimates (ie. the figures for the three years following the budget year of 2014-15) may underestimate the extent of the problems. There has been a significant trend in recent years to overestimate economic performance leading to a reduction of revenue predictions as the forward estimate years approach. The figures below show that the state tax revenue collected this financial year fell short of previous budget estimates, as did the total revenue estimates for 2014/15.



While estimating revenue in the longer term is notoriously difficult, it is significant that the overall budget position relies on improving state revenues over the next few years while the track record suggests we may fall short of this.

The Budget papers also show that South Australia remains the second lowest taxing state per-capita but with the highest tax effort. This again reflects the narrow tax base and illustrates why we need a broader, more sustainable and fairer system of state taxation.

In response to this Budget, SACOSS is calling for the creation of a high level advisory board chaired by the Treasurer to review current sources of revenue, and to model and make proposals to restore and maintain a sustainable

revenue base. This board should include representatives from business, the community sector, local government, the union movement and independent academics.

2. 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. Over the last few years cost of living pressures have made meeting these basic costs more difficult with rapidly rising prices for a range of essential goods and services, most notably housing, energy, water and health.

These pressures affect all households, but impact more significantly on lower income households both because they tend to spend proportionately more of their income on the necessities (prices of which are rising), and because they do not have the reserves or flexibility in their budgets. For those whose incomes are pegged to the Consumer Price Index (e.g. those on Newstart and other base level allowances), rising prices are causing major household pressures.

SACOSS welcomes the fulfillment of a number of election promises to assist low income households, and also the attempt to cushion vulnerable and disadvantaged people from the broader impacts of the Budget – including through the retention of concessions for the Emergency Services Levy, the maintaining of council rate concessions despite federal government cuts, and guaranteeing no water price increases as a result of the debt transfer to SA Water.

Item	Description	SACOSS Comments
Financial Counselling and Ethical Loans \$3.7m	This initiative provides for the delivery of ethical no interest and low interest loans and financial counselling in partnership with Good Shepherd Microfinance. This will be achieved through: <ul style="list-style-type: none"> • \$112 000 set up costs and \$333 000 p.a. for the establishment of a Good Money Store in metropolitan Adelaide • \$2.4 million over 3 years from January 2015 for Debt Deduct and coordination of microfinance products. 	This is a welcome initiative and addresses a SACOSS election and budget proposal and fulfils a election commitment from the government.
Community Foodbank Expansion \$1m	Funding to Foodbank SA for the establishment of subsidised food programs in Edwardstown, Elizabeth and Port Pirie.	This delivers on a government election commitment and builds on current successful programs which assist low income households.

3. Taxes, Fees, Concessions & Charges

Most government fees and charges are set to rise an average of 2.7% in this year's Budget. This is more than CPI (1.75% over the last year) and so will impact particularly on people whose incomes are fixed to CPI.

However, there are also significant charges – most notably the Emergency Services Levy – which will increase by more than this amount, but the Budget also contains some useful concession increases and maintaining of concession payments to ameliorate the impact on those most in need.

Item	Description	SACOSS Comments
Energy Concessions	See commentary under Utilities, and also under Health in relation to the medical heating and cooling concession	
Emergency Service Levy Increase \$321m in revenue	Substantial increases in ESL through removing of general remissions for most households. The result is a \$37.30p.a (62.4%) increase in the levy on property with a capital value of \$100K, scaling up to \$1,866p.a increase (327%) for property worth \$5m.	SACOSS is pleased at least to see that concessions are retained for lowest income earners, and the increases are broadly progressive in that they impact most on those with the highest value property. However, we note this may impact adversely on people who are asset rich but income poor.
Local Government Rate Concessions	The state government will not pass on the concession cut in the first year from the Commonwealth Government's abolition of the National Partnership Agreement on Certain Concessions for Pensioner Concession Card and Seniors Card Holders.	SACOSS welcomes the continuation of a \$190 council rate concession support for eligible pensioners and low income earners, and \$100 concession for eligible Seniors Card holders for another year. However we are concerned about the potential removal of these concessions in later years and will lobby with the state government to have them reinstated by the Commonwealth after 1 July 2015.
Motor registration fees, public transport fares	Metroticket price rise from \$5.00 to \$5.10. Motor vehicle registration fee price rises of \$3.00, \$6.00, and \$9.00 for 4, 5-6, and 7+ cylinder cars respectively. Driver's licence up by \$1 per year	Some of these increases are below the general fee increase and most are broadly in line with CPI.

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Compulsory Third Party Insurance	Compulsory Third Party Insurance decreases by \$38. (9.3%) to \$370p.a., but a new fee of \$106p.a. is added for the Lifetime Support Scheme Levy which will commence in 2014-15..	The overall increase here comes against a background of a significant reduction last year based on changes to the insurance scheme. While there remain concerns over the impact of these changes on injured people, the new Lifetime Support Scheme Levy is very welcome.
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4. Utilities

The budget delivers on a number of election commitments including:

- Around \$12m pa to provide a \$50 increase to both the energy concession and the Medical Heating and Cooling Rebate (to \$215 pa max each).
- \$5.5m to install solar hot water systems on over 1000 SA Housing Trust properties - reducing living costs to tenants.
- An additional \$1.5m pa for the Remote Areas Energy Supply Scheme to lower electricity costs for off grid communities.

The increase in concessions from July 2014 accompanies a slowing in the growth of electricity prices but the prospects of continued increases in the price of gas. In terms of water and sewerage, price rises for 2014-15 are around 3%. A key budget item is the Government’s decision to require SA Water to borrow an additional \$2.7bn and return this money to government to improve its debt position. While this has been accompanied by assertions that there will be no impact on water prices, the long term impact on SA Water’s prices and attractiveness for privatisation remains unclear.

Item	Description	Comments
Energy concessions	Increase energy concession AND medical heating and cooling rebate by \$50 to \$215pa	Election commitment – totalling \$12m pa. Very welcome however even with this increase SA still has one of lowest concessions in nation. Imperative government moves to index the concession so it keeps pace with real increase in prices.
Bundled/lump sum concessions	Election commitment for a bundled concession payment from July 2015	Could find no reference in BPs however this was an election promise. SACOSS remains concerned about what this means and its longer term implications for vulnerable recipients.
1000 Solar Hot Water systems for SAHT properties	Install SHWS to over 1000 properties	Welcome initiative of \$5.5m Capital Grant to install 1000 solar hot water systems in Housing Trust properties to reduce cost of utilities. Not clear how decisions will be made about where installations occur.
Additional funding for Remote Areas Energy Supply Scheme	Additional \$1.5m pa	Election commitment to assist some regional communities’ access cheaper electricity.
SA Water ‘gearing restructure’	SA water to borrow \$2.7bn and return to government to reduce government equity stake	The government’s argument is based on getting SA Water debt-to-assets ratio more in line with other water businesses, but it is (arguably) using an inflated asset base (see BP5 p74 for

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		comparisons). SACOSS is also concerned about a direct transfer of debt from the government's books with limited clarity on how much this is likely to reduce annual return to government revenues as owner.
Water: Consumer Advocacy and Research Fund	Reports a catch up in 2013/14 of last years \$250k underspend (no spend)	It is unclear how or if this money has actually been spent. SACOSS has been informed that the contract for the delivery of the CARF project had been awarded but was stalled in contract negotiations. This needs clarification.

5. Child Safety and Wellbeing

SACOSS continues to argue for instituting 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.

Last year's Budget contained initiatives providing out of home care alternatives, continuing the Family by Family program and investing in early childcare services infrastructure. This year's budget contains very modest but potentially valuable expansions to a number of children's programs.

Item	Description	SACOSS Comments
Children's centres — expansion of services \$13.6m	Ongoing funding for additional family services coordinators and allied health officers to provide for expanded services in children's centres.	SACOSS welcomes this initiative which invests in the health and wellbeing of children.
Little Big Book Club \$1.05m (over 3 years)	A program that will encourage reading with children in the home through the provision of free reading packs and parenting guides.	SACOSS recognises the value of a program which improves literacy for children and parents.
Parent portal \$1.75m	Establishment and operating costs for a parent portal which will allow parents to communicate with their school about matters relating to their children's education, attendance, achievement and lesson plans.	This will enable better access and engagement of most parents in their children's schooling. However, SACOSS remains cautious about families who do not have easy access to the internet and may miss out on accessing important information about their child/children.
Strong Start program — expansion \$3.2m	This funding expands the Strong Start program to the southern suburbs. The program aims to improve the awareness of infant and children's health and development needs for families with high complex needs and to facilitate access to networks of support services.	SACOSS is supportive of programs which take an early intervention approach.
Campaign to confront body image issues \$15k (2014-15)	This initiative provides funding for the development of a digital media campaign to build the self-esteem of South Australian girls aged 7 to 12.	SACOSS recognises body image is a significant issue for young South Australian girls. We welcome this initiative, but remain realistic that this small investment may only provide minimal impact.

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Way2Go bike education program \$1.1m	Expansion of the Way2Go bike education program which teaches primary school children about bicycle and road safety.	SACOSS welcomes this initiative because we recognise the benefit of encouraging physical activity early and encouraging safe riding and road awareness.
BeActive vouchers (for primary students) \$7.7m	Provides for primary school age children to receive an annual voucher of \$50 from 2015 towards their sports club fees.	SACOSS welcomes this initiative as an early intervention health strategy for children. However, we are concerned that there are families who are unable to afford sporting fees and other associated costs even with this subsidy.

6. Disability

Given the federal government’s renewed commitment to the National Disability Insurance Scheme, state government support for people living with disability and for disability services will be particularly important throughout the roll out of the Scheme. It is important that state government services complement and support the NDIS’ underpinning purposes of social inclusion and self-determination.

Item	Description	SACOSS Comments
<p>Disability Hub for the North</p> <p>\$400,000 (over 2 years)</p>	<p>Two year investigation of feasibility of establishment of a disability hub in the northern suburbs.</p> <p>This hub would train people for new jobs and also provide co-located services for people with disability, their families and carers.</p>	<p>There is some merit in establishing a centralised place for people to access services. However a two year feasibility study seems overly long with no guarantee that a hub will be funded at the end.</p> <p>SACOSS is also cautious that the proposed hub could potentially segregate people with disability away from mainstream services, while transport limitations could also be a barrier to accessing hub services.</p>
<p>Disability Justice Plan</p> <p>\$755 000</p>	<p>This initiative provides additional funding to make the criminal justice system more responsive to the needs of people with disability through the provision of:</p> <ul style="list-style-type: none"> • Specialist training for police • Communications assistance • Resources for implementing of the Disability Justice Plan • Community awareness and information program. 	<p>SACOSS welcomes the fulfilment by the state government on this election commitment for new funding towards a Disability Justice Plan and community awareness and information program over 2 years.</p>
<p>City Disability Respite Facility</p> <p>\$7.4m</p>	<p>Capital grant funding to the SA Housing Trust to establish a new disability respite facility in Adelaide developed and managed in partnership with the private and non-government sectors. This will provide accommodation for people with a disability and their families requiring respite and other short-term accommodation.</p>	<p>While SACOSS welcomes the government delivering on an election commitment, we remain cautious about the model of service being proposed.</p>

7. Employment, Education and Training

Education and training are vital for a strong economy and vibrant society. They are vital to enable young people in particular, to have access to future employment opportunities. Sadly South Australia continues to have relatively high levels of unemployment especially youth unemployment and has had lower levels of educational attainment and workforce participation than other states and territories.

Measures announced in the recent federal budget which impose new obligations on the unemployed will see a number of young people moved from Newstart back to Youth Allowance, and others without any access to income support for periods of 6 months or more unless they are undertaking training or engaged in education. This is likely to result in an increase in demand for access to both secondary & post-secondary education and training. Therefore, the continued investment in targeted industry training (eg Skills for All, Skills for Jobs in Regions) in this year's Budget is welcomed but may not be adequate.

Item	Description	SACOSS Comments
Increased Skills for All industry training \$63m	This measure provides for additional funding to free and subsidised courses. Overall expenditure increases then decreases over the forward estimates (from \$11m in 2013-14 to \$30m in 2014-15 to \$22m in 15-16) and provides 20,000 additional student places.	SACOSS welcomes the continued funding commitment to invest in skills.
Building a Stronger SA: Our Jobs Plan \$60m	A range of measures to compete with closure of car industry including re-skilling programs, industry diversification and accelerating manufacturing programs that broaden the state's economic base. Includes \$12m to contribute to Federal Government's Growth Fund.	This type of investment remains critical especially in a context where regions surrounding Holden's plant have very high levels of youth unemployment.
Job Accelerator Fund – Regional \$10m	A once off measure to support job creation in regional areas.	Regional job creation remains a major issue of concern and this will be very welcome if this assists in accelerating jobs growth.
Specialist Schools \$2.9m	This budget outlines several investing payments to support the development of 3 specialist schools – one focused on advanced manufacturing and linked to the Tonsley redevelopment, a second focused on jobs in the defence industry, and a third specialising in teaching science, technology, engineering and mathematics.	These investments will be welcome if they lead to stronger ties between secondary training and work by providing better preparation for young people seeking to build careers in these areas.
National Education Reform Agreement	While there is no additional funding the state government has re-affirmed its commitment to maintain its previously agreed funding levels despite Federal Budget cuts	This re-affirmation is welcomed but SACOSS is deeply concerned about the impact of the cuts announced in the recent Federal budget.

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Support for Older Workers \$1.5m	A range of initiatives including the Skills for Jobs in Regions program and funding through COTA and DOME.	SACOSS welcomes the funding targeted to helping older workers access employment, but notes similar initiatives directed toward younger people are similarly relevant but absent at this time.
Support for Long Term Unemployed \$1.1m	Funding to Community Centres SA for coordinators in three areas to provide support for long term unemployed people.	A welcome initiative which should mesh with community centre education and support programs.

8. Health

The discussions around the shifting of funding responsibilities between federal and state levels creates ongoing concern for the sector about the sustainability of health funding into the future. This has become acute in the wake of the recent federal government budget which saw major cuts to its expenditure. This has created a major gap in current and future health expenditure which will challenge the state government.

SACOSS is pleased to note the continued investment in mental health, particularly the funding for the Mental Health Commission and the establishment of additional dialysis facilities in Gawler. We note with concern the decision to defer significant capital expenditure designed to improve health facilities and infrastructure, however appreciate that federal budget cuts have had a significant impact on this decision.

In a context where the whole health system is being challenged by levels of expenditure and a lack of revenue SACOSS believes it's imperative that both the federal and South Australian Governments work closely with us and other stakeholder groups to establish priorities for reform and improvement.

Item	Description	Comments
National Partnership Agreement on Preventive Health & Indigenous Early Childhood Development	These were Commonwealth funding agreements and SA is not covering the funding. Some of the programs (e.g. OPAL) included some state funding.	SACOSS is extremely disappointed that the federal government removed its funding. It is unfortunate that the state government has not opted to replace this funding. SACOSS will be strongly encouraging the state government to renew investments in preventive and primary health care in the absence of Commonwealth effort.
National Partnership Agreements on improving health services \$119.9m Financial Assistance for Long Stay Older Patients \$42.4m	The federal government has withdrawn from these programs and the state government is covering the cost	SACOSS is pleased the state government is covering the loss in Commonwealth funding.
National Health Reform Agreement \$444.2m	The federal government has withdrawn the State is continuing to contribute.	While the Commonwealth has discontinued funding, the state appears to be continuing to increase its contribution

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<p>Country Health SA Hubs</p>	<p>\$3.7m over 3 years to establish hubs in Whyalla and Mt Gambier & transition of 66 staff from Adelaide</p>	<p>SACOSS welcomes investment in regional mental health programs but is concerned that this should not come at a cost to support for people in metropolitan Adelaide.</p>
<p>Health at Home including Community Paramedics pilot program</p> <p>\$5.7m over 3 years</p>	<p>Includes establishing a pilot program for paramedics working in the community</p>	<p>SACOSS welcomes this initiative for paramedics to work in the community as it may decrease the number of people admitted to hospital.</p>
<p>James Nash House – rehabilitation for forensic disability patients</p> <p>\$1.6m over 3 years</p>	<p>The initiative provides \$400 per annum (indexed) to create a specialist unit for patients with an intellectual disability to provide treatment and care and opportunity return to the community.</p>	<p>SACOSS is pleased to see investment in a program promoting return to community for a group of people typically ignored or not seen as meriting this type of treatment.</p>
<p>Men’s Health Strategy</p> <p>\$2.6m</p>	<p>This strategy expands existing men’s workplace health initiatives with focus on smoking, nutrition, alcohol and physical activity.</p>	<p>SACOSS welcomes investment in preventive health programs, particularly in light of cuts to Commonwealth expenditure aimed at prevention and primary care.</p>
<p>Mental Health Commission Establishment</p> <p>\$8.9m over 4 years</p>	<p>The commission will monitor and provide advice on programs and services across government that impact on people with a mental illness, including in education, employment and housing.</p>	<p>This will be welcomed by many people involved in the mental health sector, but a clear forward plan for mental health services is needed. A critical part of the role for the Mental Health Commission will be continuing to build an exemplary community-based support system for people with mental health issues. We note this will require additional funding.</p>
<p>Nurse-practitioner led care</p> <p>\$2.4m</p>	<p>Training to equip nurses to provide ongoing care for patients with chronic disease e.g. Type II diabetes</p>	<p>This is a positive initiative that will equip nurses with more skills rather than patients going to the GP.</p>
<p>Regional dialysis clinic – Gawler</p> <p>\$10.3m</p>	<p>Funding to establish and operate a dialysis clinic with 9 chairs so patients don’t have to travel to Adelaide</p>	<p>SACOSS welcomes investment in regional health; but it needs to be coupled with preventive initiatives in this area to</p>

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		reduce demand on expensive clinical services.
Suicide prevention \$3.7m	Includes funding for Lifeline and Beyond Blue to provide crisis support to vulnerable South Australians as well as awareness campaigns. Additional small grants program for community groups.	SACOSS welcomes this investment in mental health programs supporting vulnerable South Australians
Suspension of certain hospital capital works with savings put into the Health Capital Reconfiguration Fund \$234.1m	The suspension includes Modbury Hospital Noarlunga Health Service stage 2, QEH stage 3A redevelopments, Flinders Medical Centre Redevelopment Election Commitment	SACOSS notes with concern that funds have been suspended, although we appreciate that this is a consequence of federal budget cuts. It will be critical to establish whether the state should fund these capital works in the next 12 months.
National Guardian Scheme \$0.1m in 2014-15	Justice of the Peace training for people to become guardians to make decisions re health and treatments.	This is a small initiative that appears directed towards support for people making more informed decisions about care and treatment. We would like to see similar, but more substantial investments in relation to end of life care and other treatment processes.
Patient Assistance Transport Scheme (PATS) \$9.3m	Expansion of the Patient Assistance Travel Scheme to assist with transport for regional people to obtain health services. Includes abolishing the requirement for patients to pay the first \$30 on travel costs for each trip, increasing the accommodation subsidy from \$30 to \$40, and expanding the eligibility criteria to accommodate escorts.	This was a SACOSS election policy and budget proposal and we are very pleased to see this increase and recognises the importance of this scheme to rural and remote patients.

9. Housing and homelessness

Housing remains the largest expenditure item in most household budgets and is a key determinant of health, well-being and life experience. Affordable housing supply remains a critical issue as does the issue of homelessness. Neither of these issues were satisfactorily addressed in this budget and remain a challenge for both state and federal governments.

Item	Description	SACOSS Comments
<p>National Partnership Agreement on Homelessness</p> <p>\$17.7m</p>	<p>This funding will see the continuation of services provided under the National Partnership for one year, including early intervention, medium-term accommodation options and home-based support to sustain the transition to independent living.</p>	<p>SACOSS remains very concerned about the uncertainty surrounding the continuation of funding addressing homelessness. We recognise that this is subject to discussions and agreement between state and Commonwealth and we hope this can be resolved very quickly.</p>

10. Justice

SACOSS has long been concerned that the overwhelming priority of government justice policy is around surveillance and punishment rather than investment in crime prevention, early intervention, rehabilitation, reparation and access to justice. Although there are a few welcome initiatives, this budget appears to continue this broad direction.

Item	Description	Comments
Victims of Crime \$9.7m	Increased payments for victims from the Victims of Crime Fund with adjustments to compensation scales.	A welcome support for victims of crime.
Adelaide Youth Training Centre security upgrade \$4,277m (2014-15)	Construction of a new wall and strengthening of existing chain link fence for the centre at Jonal Drive Cavan.	Further infrastructure spending without commensurate expenditure on prevention programs.
Disability Justice Plan	See comments under Disability	
Sammy D Foundation Connect to Re-engage program (\$0.3m in 2014-15)	Funding for an early intervention and diversionary program that supports young people who are at risk of long-term association with the juvenile justice system	
Community-Guardian Scheme	See Health page	
Domestic Violence Serial Offender database (\$0.02m)	This initiative provides funding to the Domestic Violence Gateway to develop and operate a domestic violence serial offender database.	The database will enable the identification of domestic violence serial offenders in order for risk of further serious injury and/or death to be better identified and managed. The database will assist in supporting women and their children to live free from violence and to fully participate in the South Australian community.

11. Transport and Infrastructure

Transport and infrastructure is vital, not just for the economy, but for society. People rely on our transport system and other public infrastructure to connect them with employment, education and training opportunities, health and community services, and for social participation. Given that many South Australians do not own a car, public transport is even more vital for low income and disadvantaged people.

SACOSS is cautious about the increased infrastructure revenue generated by outsourcing Compulsory Third Party Insurance provision from the Motor Accident Commission. It is hoped that increased spending on transport and infrastructure translates to fewer accidents.

Item	Description	SACOSS Comments
Public Transport Park n Ride Interchanges \$7.5m	Car parking spaces and facilities at Park and Ride stations	SACOSS supports improvements to South Australia's public transport system, and we welcome initiatives that encourage its use.
Rural road safety program \$35.5m	This initiative provides for the continuation of rural road safety measures including improved signage and delineation, minor junction improvements and removal, modification and shielding of roadside hazards and median centreline treatments. □	Road safety is a significant issue in rural areas and SACOSS welcomes investment in rural infrastructure.
Patient Assistant Transport Scheme (PATS) \$9.3m	See comments under Health	
Motor Accident Commission (MAC) outsourcing of CTP insurance	The Motor Accident Commission (MAC) will end its role as the sole provider of CTP insurance in South Australia and this will allow it to cease writing new CTP insurance policies and run off its claims against policies issued up to and including 30 June 2016.	SACOSS is concerned that this arrangement could potentially lead to increased costs for consumers and/or a diminished quality of insurance product.

12. Young people

This Budget contains a number of initiatives that will be relevant to young people, for example Skills for All, Regional Jobs Accelerator Fund. However, SACOSS notes that there is likely to be a major impact on young people arising from changes to federal income support and participation arrangements for people who are unemployed, disabled and/or single parents. SACOSS also notes that increases in the price of vehicle registration, fines and other fees are likely to have a disproportionate impact on those young people who are living on low incomes.

In the light of this, SACOSS is very disappointed that there was not more attention paid to the long term interests of young people in this Budget. This is another area where there is increasing murkiness about which levels of government should take responsibility. We strongly encourage the state government to work to clarify with the federal government exactly who will be responsible for the long term interests of young people.

Item	Description	Comments
<p>Supporting South Australian innovators</p>	<p>Innovators will be supported to commercialise their ideas and grow jobs as South Australia harnesses the potential of its home grown entrepreneurs.</p> <p>Specific initiatives include:</p> <ul style="list-style-type: none"> • \$400,000 training and mentoring programs (delivered by Majoran Distillery) • \$588,000 (over 4 years) for grants to entrepreneurs • \$2.5 million (over 3 years) from Hills Limited to establish Lance Hill Design centre and Hills D-Shop 	<p>SACOSS welcomes this initiative and in light of the federal budget changes to income support eligibility we would like to see young people prioritised for inclusion in these programs.</p>

13. Aboriginal and Torres Strait Islander people

Aboriginal and Torres Strait Islander South Australians are significantly more likely to live on a lower income than the wider population, and have a much lower life expectancy. Aboriginal and Torres Strait Islander people are also more likely to be incarcerated in the overstretched and under-resourced prison system. There is an urgent need to address the societal contributors to poverty and disadvantage within this community and to improve standards of and access to health, housing, employment and essential services to ensure a fairer and more equitable South Australia.

Federal funding dedicated to addressing Aboriginal disadvantage is currently being rearranged and reduced. SACOSS is deeply concerned about the impact of this in SA. Coupled with the disproportionate effects of other federal budget announcements including changes to welfare payments, and the introduction of GP co-payments, any reduction in state-based supports to Aboriginal communities in metro and regional/remote areas will be strongly opposed by SACOSS.

Item	Description	SACOSS Comments
Aboriginal governance and leadership \$1.2m	Funding for the development of higher education programs in governance and leadership to assist Aboriginal communities to take greater control over their future.	SACOSS welcomes this initiative which aims to further develop the leadership capacity of Aboriginal people.
Partnerships to support Aboriginal economic prosperity	Funding for a number of partnerships to provide Aboriginal communities with commercial advice targeted at fostering opportunities for Aboriginal South Australians. Partners include: <ul style="list-style-type: none"> • Aboriginal Foundation of South Australia • \$200k (over 2 years) • Jawun-\$1.02m • Supply Nation - \$360K 	SACOSS welcomes Aboriginal-led initiatives aimed at tackling the significant disadvantage faced by Aboriginal people in the labour market.
Strengthening Aboriginal culture \$400K	Funding to support the Tjukurpa Law and Culture Council to help ensure culture and tradition is passed on from generation to generation and to keep traditional owners at the centre of decision making.	SACOSS recognises the value of Aboriginal culture and traditions and the need for ongoing support to ensure the sustainability.

14. Culturally and Linguistic Diverse Communities

Approximately 25% of the South Australian population is comprised of culturally and linguistically diverse people. In recognition of the diversity of the South Australian community SACOSS advocates for appropriate social supports. SACOSS strongly supports the ongoing commitment to multicultural services.

Item	Description	SACOSS Comments
Multicultural Grants \$1.4m	Additional funding to multicultural organisations to support programs, events and activities.	Increases a useful grant program to \$1m p.a

15. Older People & Aged Care

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

As the second fastest ageing state in Australia, South Australia's 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 for older people; however, in framing the Budget, the state government has paid special attention to the needs and interests of pensioners including maintaining Emergency Service Levy and council rate concessions (see Concessions section). Other initiatives are below.

Item	Description	SACOSS Comments
Seniors Housing Grant \$14m over 2 years	Up to \$8,500 for people over 60 years of age who want to down size and purchase a new residential home (capped at houses worth \$450,000).	SACOSS welcomes this measure as it will help to offset stamp duty costs for older South Australian's downsizing. There is wide acknowledgement that stamp duties form a barrier to property transactions and may prevent many people from moving into more appropriate forms of accommodation.
Retirement Village Resident Advocacy Service \$0.5m	Funding for an advocacy service for Retirement Village Residents	SACOSS recognises that protecting the interests of residents of retirement villages has been a concern and welcomes this initiative.

16. Sector Development

The community sector provides accounts for at least 2.7% of the SA economy and provides huge range of support and services for the most vulnerable and disadvantaged South Australians. To provide high standard, professional services requires support and investment in the organisations and people who provide those services, and involving those services and their peak bodies in policy formation and implementation.

In the lead up to the 2014 State Election, SACOSS developed a 20-point Plan for Better Contracting and Red Tape Reduction for government funding of community services. Many of these continue to be worked on in partnership between government and the sector, while the following are other budget initiatives (good and bad) relevant to the operation of our sector.

Item	Description	SACOSS Comments
Screening Services \$14.1m revenue from increased fees \$17.9m expenditure to increase service	The screening process is a mandatory assessment of potential volunteers and employees involved in children’s services. The extra revenue will enable further and faster screening, while the revenue is from substantial increases (25-59%) in fees charged to agencies employing volunteers and staff.	While protection of children should always be paramount, there are questions as to the effectiveness and cost efficiency of the screening processes, and they impose a considerable impost on sector organisations and impede support programs. Currently organisations may wait up to 4 months for employee/volunteer clearances, and there is no support funding for NGOs to attain these clearances.
Volunteer Time-exchange Program \$600K	Trial of a program which allows volunteers to exchange their donated hours with another volunteer organisation offering services they require.	Support for volunteers is welcome, but as with previous LETS and other similar schemes there is a concern about blurring the lines of volunteering and work-for-reward with implications for taxation and workplace regulation.
Volunteer Recognition Scheme \$600K	Establishes a scheme that recognises people for volunteering, including through rewards like discounts, free tickets and promotional offers.	See above.

17. Summary of SACOSS 2014 - 2015 Budget Proposals

SACOSS Proposal	Outcome
Cost of Living	
\$2.5m per year increase in the Patient Assisted Travel Scheme (PATS) to assist with transport for regional people to obtain health services	Adopted
\$50 per year increase in the energy concession for low income households	Adopted
Establishment of a Good Money Store to give people access to one-stop financial assistance, including no-interest loans and debt relief	Adopted
Indexation of PATS to ensure that the value of the assistance provided is maintained over time	Not Adopted
Indexation of Energy Concession from 2015-16	Not Adopted
Increase and index the Access Cabs Subsidy	Not adopted, but in discussion with SACOSS the government has promised to discuss other options for improvements in the scheme.
Establishment of an "EEPS-equivalent" scheme for telecommunications	Not Adopted
Free Public Transport between 9am and 3pm and Free Public Transport for people with disabilities on International Day for People with Disabilities.	Not Adopted

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Support for the Health and Community Services Sector	
Penalties for late payment of contracts (in legislation passed in 2013 but not yet commenced)	Not Adopted
Implementation of simple low risk contracts developed through the Human Services Partnership Forum	Adopted – discussion about implementation continues through the HSPF.
A minimum six months' notice rule regarding whether long term contracts are going to be renewed to prevent unnecessary loss of staff and impact on those people who rely on these services	Promised as part of Modern Public Service Policy.
Establishment of whole of government grant guidelines through the Human Services Partnership Forum	Currently under development through the HSPF, but it remains to be seen if the guidelines will have legislative force.
Expansion of the tender-ready program for small and medium-sized businesses to include non-government organisations with Aboriginal and multicultural community organisations targeted first.	Potentially adopted with government funding an internal support position.
Funding for SACOSS and other peak bodies	No additional funding
Seed funding for the SA Aboriginal Coalition for Social Justice	Not Adopted
Mandated funding for gambling harm prevention advocacy.	No extra money in the Budget, but correspondence from the Attorney-General suggests that an advocacy position has been funded, although there are no details as to where this position will sit.