



State Budget Submission

2012-13



SACOSS STATE BUDGET SUBMISSION 2012-13

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Justice, Opportunity and Shared Wealth for all South Australians

OUR MISSION

SACOSS does not accept poverty, inequity or injustice.

We will be a powerful and representative voice that leads and supports our community to take actions that achieve our vision.

We will hold to account governments, business, and communities for actions that disadvantage vulnerable South Australians.

OUR GOALS

All social and economic policy in South Australia ensures all South Australians have their basic human needs met.

South Australia has strong, cohesive community services and health sectors driving social change.

SACOSS is a sustainable, independent organisation, equipped to support the community services and health sectors to achieve our vision.

Introduction

As the peak non-government representative body for the health and community services sector in South Australia, the South Australian Council of Social Service (SACOSS) believes in justice, opportunity and shared wealth for all South Australians. We have a strong membership base representing a broad range of interests in the social services arena. Our core activities include analysing social policy and advocating on behalf of vulnerable and disadvantaged South Australians; providing independent information and commentary; and assisting the ongoing development of the health and community services sector.

SACOSS, its members and the South Australians on whose behalf we advocate, are seeking a budget for 2012-13 that sets new directions in tackling long term issues of concern and that will build justice, opportunity and shared wealth for all South Australians. Crucial to this, and to all SACOSS's work, is a focus on supporting and empowering vulnerable and disadvantaged South Australians.

This budget submission is structured around the key goals and objectives in the SACOSS Strategic Plan. The plan sets out a long term goal of having all social and economic policy ensuring that all South Australians have their basic needs met.

This budget submission sets out initiatives under the key areas of the SACOSS Strategic Plan, namely:

- Income
- Health and Wellbeing
- Housing
- Economic and Social Participation
- Law and Justice

In keeping with our role as the peak body for the community services sector, our Strategic Plan also sets a goal for strong, cohesive and dynamic community services and health sectors, because that will be a necessary part of achieving our vision for South Australia. Accordingly, this budget submission also contains proposals for strengthening the sector. These proposals build on our *Budget Submission 2011-12*, and the initiatives of the State Government since then.

The other major input into this submission, apart from the SACOSS Strategic Plan, is the range of policy initiatives put forward at the SACOSS Cost of Living Summit. Our quarterly *Cost of Living Updates* have shown that over recent years that the prices of basic necessities like food, housing and utilities have been increasing much faster than incomes, and that this is impacting disproportionately on low income households (see for example SACOSS, 2011b). To address these concerns, in October last year SACOSS convened a summit of nearly 100 leading thinkers and practitioners from business, university, government and the community sectors. Participants were asked to put forward initiatives that would make a substantial contribution to easing cost of living pressures in the areas of housing, utilities, food, health, transport, and incomes. These proposals were discussed in workshops and the full list of all initiatives is recorded in the post-summit report (SACOSS, 2011c). This submission includes those initiatives SACOSS believes are most viable and relevant at the State Government level.

SACOSS believes that a comprehensive and concerted approach to tackling cost of living pressures is essential if South Australians, and in particular the most vulnerable and disadvantaged in our communities, are to enjoy the living standards our society regards as reasonable.

SACOSS recognises that revenue sources are limited for State Governments, but budget cuts to vital community services or that impact on the most vulnerable and disadvantaged are not an appropriate response to fiscal pressures. Severe cuts to important programs like financial counselling, as announced in the September 2010 Budget, caused great anxiety in the sector and great harm to our clients and to those who were locked out of the reduced government services.

We look forward to a budget process that is more visionary and consultative, and to working with government to achieving good outcomes for all South Australians.

Income

All South Australians should be able to have an income that allow them to live in a basic level of comfort relative to the rest of society. While income is not the only indicator of disadvantage, it is the main reason behind inequities in our society and one of the main determinants of a person's health and wellbeing throughout their life cycle. People on low incomes are more likely to live in poor quality housing, struggle to pay rent and utility bills, and live in geographically isolated areas.

SACOSS's *Cost of Living Updates* over the last two years have shown that the cost of living for those on low incomes has been rising faster than for the population as a whole. This is because a greater proportion of low income households' expenditure is spent on necessities, the price of which is rising faster than other goods and services reflected in the generic consumer price index (SACOSS 2011b).

While much of the income support for people on low or no incomes is provided by the Federal Government, the State Government provides concessions for low income recipients on a range of fees, charges and expenses. These concessions are crucial for those on low incomes and are an important equity measure in that much State Government revenue is regressive by nature—that is, flat fees such as drivers' licences, vehicle registration, fines—which impact disproportionately on the poorest.

The other income-related area of State Government responsibility is the provision of crucial services to those suffering financial crises, and there are two specific priorities identified here for the 2012-13 Budget.

PRIORITIES FOR 2012-13

detailed on following pages

1. **Comprehensive review of State Government concessions.**
2. **Funding for 30 FTE financial counselling positions in the not-for-profit sector to deal with the current crisis in counselling, and funding for an independent review of the provision of financial counselling services in South Australia.**
3. **Funding and establishment of a consumer credit legal service in South Australia.**

PRIORITY 1

Comprehensive review of State Government concessions.

The range of concessions offered by the State Government on utilities, transport, council rates etc is crucial for helping low income households afford the basic necessities of life. This is particularly the case with water and electricity, which have seen huge price rises over recent years. The lowest household income quintile spends nearly twice the proportion of their income on energy as those households in the highest income quintile, despite using only about half the power consumed by those in the top quintile (ABS, 2011c). Utilities costs therefore impact disproportionately on low income households, who often have few options to reduce energy and water costs.

The last two State Budgets have included increases in utility concessions, with a promise of a 5% increase this year. However these concession increases, while welcome, have quickly been swamped by price rises (which also incidentally increase government GST revenue, effectively making utilities a regressive revenue raiser).

At the SACOSS Cost of Living Summit last year, there was consensus among the industry representatives, consumers, NGOs and academics in the utilities workshop that the concession system was not working and was in need of a fundamental review. Apart from the quantum of concessions, a review should consider ways to alleviate difficulties in accessing concessions, whether they are targeted to the right people, and whether they address the right needs given that technological change has made some services less important and other services with no concessions are increasingly vital (e.g. computer and internet access). Given the establishment of the national energy market, the review should also consider the costs and benefits of transferring responsibility for concessions to the Federal Government.

PRIORITY 2

Funding for 30 FTE financial counselling positions in the not-for-profit sector to deal with the current crisis in counselling, and funding for an independent review of the provision of financial counselling services in South Australia.

Financial counselling has long been valued as a low-cost, high value early intervention measure which supports vulnerable people through crises, often avoiding deeper problems which could otherwise develop. Over the past year, the State Government has cut anti-poverty services and Families SA has limited any future provision of financial counselling to only their clients (i.e. those in the child protection system), leaving the rest of the population to be serviced by the community sector. These cuts coincided with a period of increasing cost of living pressures and hardship for vulnerable and disadvantaged South Australians, all of which has driven a massive increase in need for financial counselling services in the community.

Community service agencies have been unable to meet this need with existing resources (SACOSS, 2012). In the run up to Christmas last year a number of key agencies closed their waiting lists or were unable to see prospective clients until the new year, meaning that large numbers of vulnerable people were turned away, bounced from agency to agency and/or kept waiting for weeks while their debt and stress burdens increase. There are also areas of rural and regional South Australia where there are no general financial counselling services available now that Families SA has closed its doors to the public.

Given the recent history of the issue and the disagreements last year between the sector and Families SA over the data and the impacts of the government cuts, and over service provision in other states, a review of financial counselling should be undertaken, but it should be independent of the Department. It should look at establishing a system which can meet community need into the future. However, it is also clear that an injection of funds is required immediately to deal with the current crisis. SACOSS estimates that an extra 30 FTE equivalent positions are needed now to enable the community sector to meet financial counselling need and help people avoid the financial stresses and more costly (or tragic) subsequent outcomes.

PRIORITY 3

Funding and establishment of a consumer credit legal service in South Australia.

South Australia remains the only state without a Consumer Credit Legal Centre. Such a centre is crucial to providing free advice and assistance to consumers, particularly disadvantaged consumers, in understanding their rights and effectively asserting them.

The 'Public Debt Private Good' report (Were 2010) showed that low income debtors are confused and frightened by the debt recovery process. Debtors are often intimidated by the Court process and so agree to terms they cannot afford (the more anxious the debtor the more likely they are to agree to unreasonable repayment terms leading to further hardship and wasted time in courts). In domestic mortgage possession proceedings, borrowers are often unrepresented and may be unaware of their options in relation to seeking hardship variations or preserving any equity left in their property, which may often be eroded by costs and the forced sale of the property. Good advice and effective representation is vital, particularly where consumers are disadvantaged or marginalised.

Consumer credit law is undergoing a number of changes given the relatively recent introduction of the National Credit Code and the imposition of new obligations on Financial Service Providers (FSPs) in relation to lending practices and regimes for enforcement. Further national regulatory change is planned and will result in increased demand for services, and the need to conduct education and public awareness campaigns in relation to consumer credit issues. This would be a primary function of a Consumer Credit Legal Service, as well as advocating for systemic change to industry practice to encourage a fairer market place and conducting research into Consumer Credit issues.

Free legal advice and limited assistance in relation to consumer credit matters is already provided to the public through existing bodies, including the Legal Services Commission, but services are limited and a specialist service has many advantages for the consumer and for policy formation and advocacy. The Legal Services Commission is supportive of the establishment of a Consumer Credit Legal Centre, and the establishment of a CCLC would be a large step towards bringing South Australia in line with the support offered in all other states.

Health and Wellbeing

It is unacceptable that different social and cultural groups in our society have radically different health status. South Australians should not have more chance of being sick because they have less income, education, or are out of work—yet that is the situation.

The focus of the health care system and the way that health care is delivered have huge impacts on both health and budget outcomes. The current model of health care, which is built around tertiary care and large infrastructure (e.g. hospitals) can provide necessary medical interventions, but it is an expensive model that does not address many of the causes of ill health. Income, nutritious food, education, work, transport and housing are all key factors in determining health and health inequality.

International research confirms that primary health care which focuses on the promotion and development of good health benefits all groups in society, and particularly low income and disadvantaged groups (WHO, 2004). A shift to a primary health care focus on promotion and development of good health (rather than acute care to fix bad health) is also a more affordable health model for the state. For instance, the government's own figures show that in 2007-08, \$17.7m in public hospital emergency department attendances and \$37.6m in outpatient services were attributed to overweight and obesity (Government of South Australia, 2011a, p 15).

The health system is also currently undergoing major change in funding and delivery arrangements, driven by the national health care reform agenda. This has major implication for health care providers and consumers. To maximise the efficient implementation and chances of success of the new health arrangements, both consumers and service providers need to be able to be actively involved in the implementation of the reform agenda.

PRIORITIES FOR 2012-13

detailed on following pages

4. **Create a fund to cover the gap in Commonwealth pharmaceuticals payments for people with chronic illnesses.**
5. **Comprehensive funding package to support the implementation of the Eat Well Be Active Strategy.**
6. **Funding for a SACOSS policy officer to monitor and support community sector health service providers' participation in the processes of health reform.**

PRIORITY 4**Create a fund to cover the gap in Commonwealth pharmaceuticals payments for people with chronic illnesses.**

Pharmaceuticals can be a very expensive part of health care. The Federal Government subsidises the cost of many medicines through the Pharmaceutical Benefit Scheme (PBS), with patients paying the “gap” of up to \$35.40 (or \$5.80 if they have a concession card) for each PBS-listed medicine up to an annual Safety Net threshold—currently \$1363.30, or \$348 for concession card holders. Above the threshold, the patient contribution drops to \$5.80—or free for concession card holders.

While the PBS provides substantial subsidies, the pre-threshold gap still represents a significant expense and hardship, particularly for people with chronic illness. For instance, it is not uncommon for people living with HIV to be taking 28 pills a day as part of their treatment, and some are spending up to 30% of their incomes on medicines (Menadue, 2011).

The issue of the PBS gap was raised at the SACOSS Cost of Living Summit as being a significant one for a particularly vulnerable group of South Australians, and the proposal for a State Government fund to close the gap received consensus from the delegates in the health workshop. The South Australian government should advocate for the Federal Government to close the PBS gap, but in the meantime the State Government should establish a fund for people with long-term illnesses to lower the threshold before the safety net takes effect.

The cost of this is difficult to estimate. Again, to take the case of people living with HIV, where there are strong arguments for the safety net because it is a small population group with high medical costs: there are an estimated 836 people living with HIV in South Australia, 40% of whom hold concession cards. Given this, the cost of paying out the safety net completely (i.e. immediately placing them on safety net patient contribution levels) would be approximately \$800,000 per year.

To incorporate other chronic illness would escalate the cost, but costs could be managed by limiting the State Government fund to people with two or more chronic diseases (approximately 15% of the South Australian population (SA Health, 2009, p 8)), or by lowering the point at which the safety net takes effect rather than paying it out completely or by means testing access to the scheme. However, any assistance in this area would make a significant difference to those struggling with the costs of long term illness.

PRIORITY 5**Comprehensive funding package to support the implementation of the Eat Well Be Active Strategy.**

Despite the need for broader and better-resourced preventative health approach, large health infrastructure and acute care accounts for the vast bulk of state and federal government health spending. In last year’s budget submission, SACOSS called for a review of health expenditure with the aim of increasing investment in primary health care to change the balance of the health budget and increase primary health expenditure by 2% for each year of the forward estimates.

This submission was not taken up in the 2011-12 Budget, but there is still good work being done in the area of preventative health. Much of this is around diet and physical activity, which also intersects with SACOSS cost of living concerns. The *Cost of Living Update No 6*, in May last year, found the price of healthy food has been increasing faster than other foods, potentially undermining good government programs on healthy eating (SACOSS, 2011f). In this context we welcomed the sponsorship of SA Health (organised through the Health Promotion Branch) of our Cost of Living Summit, and there were a number of initiatives identified at the

Summit that could be supported or further expanded. Principal among these were the “magic harvest” process being led by the Community Foodies program, and support for community gardens.

These themes and types of programs are also picked up in the government’s Eat Well Be Active Strategy, released late last year (Government of South Australia, 2011a). A comprehensive funding package needs to be developed to support this strategy and to work with NGOs, local government, and other stakeholders to promote the strategy and ensure its goals are realised.

PRIORITY 6

Funding for a SACOSS policy officer to monitor and support community sector health service providers’ participation in the processes of health reform.

The Commonwealth and all state and territory governments have agreed to national reform of Australia’s health system over the next five years. The reforms aim to improve health outcomes and ensure the sustainability of the health system, but they represent a massive change in the system, with significant (and different) impacts on both consumers and health providers. Proposed changes to Local Health Networks, Medicare Locals, and Aged Care may mean changes in the way community health NGOs are funded, and how they relate to Local Health Networks, Medicare Locals and the aged care system. The changes are being implemented over time, and are further advanced in eastern states, where the community sector is receiving significant funding to engage in the process (NCOSS, 2012).

While the experience and interests of health service providers, even when NGOs, and those of health consumers may not always coincide, both need to be involved in the reform process. Such involvement provides opportunities for non-government community services to build relationships with Medicare Locals and Local Health and Hospital Networks to improve health planning and service delivery and to identify gaps in the delivery of services, as well as to enable them to better navigate the health system for their clients.

As the peak body for the community sector in South Australia, SACOSS has a vital role in informing our members who are community health providers (or welfare agencies that interact with the health system) about the changes and facilitating their role in consultation and implementation of changes. The Cost of a SACOSS Health Reform Project Officer would be \$100,000 per year, and would ensure that there was more meaningful input to the health reform process and would make a significant contribution to ensuring better outcomes.

Housing

Housing is one of the most important features of life for every South Australian. The cost, location, physical accessibility and appropriateness of housing all impact markedly on health, education, and general wellbeing outcomes throughout a person's life cycle.

Housing costs have been the focus of much attention in recent years and for good reason. Housing is the biggest single expenditure item in most household budgets. While interest rates for mortgage holders have declined over the last year, entry into the housing market is still out of reach for many low income households—hence the average household income of those in private rental is only two thirds of that of households with a mortgage (ABS, 2011b, Table 16). Private rental is itself expensive, however, with private renters spending on average 24.5% of their income on housing. Mortgagees, in comparison, spend an average 20.1% of household income (ABS, 2011c). For renters the cost pressures are getting worse: the Consumer Price Index for rents in Adelaide has gone up on average 8% more over the last decade than the generic CPI—a particular impost on those whose incomes are pegged to CPI (SACOSS, 2011b).

This points to a need for more rental stock and more social housing options, so that there are other options for low income households.

PRIORITY FOR 2012-13
detailed on following pages

7. Transfer of a proportion of SA Housing Trust stock to community housing organisations, provided certain conditions are met.

PRIORITY 7

Transfer of a proportion of SA Housing Trust stock to community housing organisations, provided certain conditions are met.

SACOSS notes the intention of the government to transfer significant SA Housing Trust stock to the community housing sector. This represents a significant change by the government, with considerable devil in the detail and potentially major budget implications. Put most simply, if it is not done well there could be a considerable loss or downgrading of social housing stock in South Australia, and a future call on the government budget to rebuild the public housing stock. The bottom line must be that there is no nett loss of social housing in South Australia.

While the transfer of SA Housing Trust stock to the community housing sector has many potential benefits for community housing providers and those who are reliant on social housing, such a transfer should not undermine the viability of the SA Housing Trust as a key provider of social housing. The provision of public housing remains an important commitment for the government to ensure all people have access to housing. For decades the SA Housing Trust has fulfilled this role and must continue to do so, in tandem with the community housing sector.

The discussion at the SACOSS Cost of Living Summit housing workshop was clear that the community housing sector organisations need the ability to manage their housing stock portfolios in order to ensure a client mix and to be able to leverage the funding for maintenance and stock management (SACOSS, 2011c). Ghettos of disadvantage with run-down houses only breeds more social isolation and exclusion, and transferring stock without full title and the potential rental revenue stream is likely to compromise the ability to resource and maintain the housing stock.

In summary, SACOSS would support a transfer of SA Housing Trust stock to the community sector if:

- The outcome is no nett loss of social housing
- The viability of the SA Housing Trust is not compromised
- Any transfer must be unencumbered and allow community housing organisations to properly manage the assets.

Economic and Social Participation

Social participation is a key indicator of the overall “health” and vibrancy of a community and refers to the ways in which people engage with each other and take part in the life of the wider community. Economic participation, in our society, largely means the ability to participate in the labour market—to get a job, earn an income and all the personal identity and community interactions that come with that. Economic and social participation have a dynamic inter-relation: economic exclusion leads to lack of social participation, but there are a range of social exclusion factors which are also barriers to economic participation (for example family pressure or breakdown, disability, mental illness, substance abuse, race, or language difference). The combined effect is to render people isolated, vulnerable or excluded from the community.

Many social programs address only the end point of social exclusion and disadvantage - emergency responses to already bad situations. These responses are important and necessary, but early intervention strategies which can prevent many social problems developing before situations come to crisis point are vital. The SACOSS budget submission last year pointed to a wealth of evidence that early intervention is the most effective, and in the long term least costly, strategy for addressing a range of social participation issues. In this context, we welcome the restoration of funding to the Family and Community Development program announced in the *Mid-year Budget Review* (Treasury, 2011).

This submission picks up the early intervention theme with a proposal for better linking the crucial child development centres to the community, but also suggests a number of initiatives which will make social and economic participation easier for vulnerable and disadvantaged South Australians.

SACOSS is also mindful of the recent announcement by the Premier and the Minister for Disability that individualised funding will be rolled out more broadly to people living with disability. This change is an important ingredient in supporting people living with disability to enjoy social and economic participation, but by itself is not a complete recipe. This submission identifies two additional ingredients that will help the effectiveness of this new paradigm.

PRIORITY FOR 2012-13

detailed on following pages

8. **Funding for an NGO liaison officer at all Children’s Centres for Early Childhood Development and Parenting.**
9. **Provide “gap funding” to the *South Australia Works - Working Regions* program to enable it to work with those who are not on Centrelink benefits and who fall through the cracks in the Commonwealth system.**
10. **Comprehensive funding package to implement the commitments and realise the aspirations of the *Advancing the Community Together Partnership Agreement*.**
11. **Free Public Transport between 9am and 3pm.**
12. **Free Public Transport for people with disabilities on International Day for People with Disabilities (3 December).**
13. **Initiatives to build the capacity of people with disabilities to best utilise individualised funding.**

PRIORITY 8

Funding for an NGO liaison officer at all Children's Centres for Early Childhood Development and Parenting.

The State Government has championed new Children's Centres for Early Childhood Development and Parenting across metropolitan and regional areas. The Children's Centres provide integrated child and maternal health, child care, preschool, the first years of school and family support for children from birth to eight years of age. There is a good rationale for a more comprehensive and cohesive approach to child welfare and development which takes in parents and a range of considerations at once, rather than having children's health, for instance, dealt with separately from education, family safety, etc.

However, while this joining up of government services is welcome, there remains in many instances a disjunct in the connection to community groups, centres and services. It has often proven difficult, particularly for small and volunteer-run groups, to navigate the complex structures and processes in the Children's Centres. Better connection of the Centres to non-government organisations would enable the wealth of knowledge and experience in the community sector to be brought to assist children and families who require additional support, and also provide avenues of integration into the community.

Accordingly, SACOSS recommends that funding be made available for each Children's Centre to have a dedicated position to liaise with non-government organisations, local community centres, and relevant self-help and other groups. Such a position would ensure the Centres and their clients/families know where there is support and expertise in the non-government sector, and assist NGOs to operate within the requirements of the Children's Centre environment.

PRIORITY 9

Provide "gap funding" to the South Australia Works - Working Regions program to enable it to work with those who are not on Centrelink benefits and who fall through the cracks in the Commonwealth system.

South Australia Works - Working Regions is a South Australian Government initiative aimed at bringing together learning, training and employment services to ensure all South Australians have the opportunity to develop their work skills and to find employment. The goal of boosting participation in the workforce is welcome and the regional focus allows this to be done in a way which is specific to the economic challenges and needs of an area.

Much of the linking work done by the South Australia Works program is to programs which are funded by the Commonwealth and are often only available to those who are on Centrelink benefits. Many of the training opportunities are tied to Newstart or other "mutual obligations" and the job service providers are only funded to deal with Centrelink clients. The result is that there is a cohort of people who are not able to access training programs to enable participation in work. Young people whose parents are on high incomes, women at home, pre-permanent resident/citizen migrants, and those operating in the informal economy are often not on Centrelink benefits, and so are denied access to a range of training and employment opportunities. This limits their opportunity for jobs, career, and financial independence and may lock many into marginal or precarious livelihoods.

To be true to the goal of South Australia Works to ensure that all South Australians have the opportunity to develop their work skills and find employment, the government should provide "gap" funding to expand *South Australia Works - Working Regions* program to assist people who fall through the cracks in Commonwealth employment programs. With limited data, SACOSS has not been able to cost this initiative, but would be happy to work with government on this initiative to ensure a more universal training and work skill system.

PRIORITY 10

Comprehensive funding package to implement the commitments and realise the aspirations of the *Advancing the Community Together Partnership Agreement*

Volunteering is a fundamental part of our society. The work volunteers do contributes enormously to the provision of community services and to the community and economy generally. Volunteering also provides rewards for volunteers, and can also be a vital avenue of social participation and a pathway to employment.

At the end of 2011, the State Government (along with a number of community groups, including SACOSS) signed an updated version of the *Advancing the Community Together Partnership Agreement* (Government of South Australia, 2011b). The agreement represents a formal acknowledgement of the importance of the volunteer sector. In the consultation leading up to the signing of that agreement, SACOSS raised the issue of the need to ensure that volunteers are properly resourced (SACOSS, 2011h). We want to ensure that volunteers have access to suitable training and development, and also have the equipment and resources to do the job. Amongst other things, the new agreement commits the signatories, including the State Government to:

- Striving for sustainability and growth of volunteerism; and
- Working together to secure the resources necessary to support volunteering.

SACOSS now wishes to see the commitments in the *Advancing the Community Together Partnership Agreement* resourced with a substantial investment in volunteering in South Australia. A comprehensive funding package is required to implement the commitments and realise the aspirations of the Agreement.

PRIORITIES 11, 12

Free Public Transport between 9am and 3pm and Free Public Transport for people with disabilities on International Day for People with Disabilities (3 December).

Effective and affordable public transport is vital to provide opportunities for social and economic participation for vulnerable and disadvantaged South Australians. It provides access to a range of services, including medical services, child care and basic shopping, as well as social interactions which keep vulnerable people feeling and being part of the community (everything from family visits to trips to the local library, community centre, cinema or beach). Access to public transport is also often vital in the ability of people to take up training and employment opportunities.

The non-peak period between 9am and 3pm is a time when the metropolitan public transport is under-utilised, but almost by definition many of the people who utilise public transport in this period are not working: students, pensioners, carers, and unemployed people. Aged pensioners have free public transport in this period, and many others travel on concession cards, but the extension of free public transport to all off-peak commuters would be a further benefit to those on concessions, as well as a benefit for those who are not in work but may not have concession cards. Free public transport between 9am and 3pm would also have a range of other benefits. It would give incentive to use public transport, thereby promoting habits of public transport use positive health and environmental effects; it would decrease the need for car usage and traffic congestion; and most importantly would provide real savings for people whose budgets are probably already very tight.

Calculated in terms of “fares lost”, providing free off-peak public transport may seem expensive, but the trains and buses that currently run at these times are massively under-utilised and most of the costs and overheads are already fixed. The free transport would not add to costs, and could enable savings in services, surveillance and enforcement.

In addition, public transport for people with disability (on presentation of concession card), on the International Day for People with Disability, 3rd December, should be free for the entire day. SACOSS believes this would be an appropriate and significant symbolic gesture to better enable people with a disability to participate in activities in their community on that day.

PRIORITY 13

Initiatives to build capacity of people with disabilities to best utilise individualised funding.

SACOSS proposes two initiatives which would help deliver the benefits possible from the proposed move to increase individualised funding for those living with a disability.

The first initiative is about building capacity for people living with disability and their families. Research shows that without this, people who have access to individualised funding tend to use it to purchase services and to maintain a lifestyle of service recipiency. Though there is increased satisfaction, itself an important argument for the availability of individualised funding, a lifestyle beyond service recipiency is not necessarily achieved. The main way to counter this is to give people the opportunity to reclaim the possibility of an ordinary valued life, and to imagine and plan for the detail of this.

SACOSS recommends the State Government provide funding of \$250,000 for a community-led initiative in systemic capacity building for people living with disability and their families. This initiative would include the design, production and distribution of a resource kit, and the design and delivery of tailored training for up to 500 persons interested in the potential positive impact of individualised funding on their life.

The second initiative is to assist people living with disability and their families to develop their personal vision, scope the possibility of access to freely given assistance and access to mainstream opportunities, to translate this into an individual plan and budget and, once signed off by government, to assist in the orchestration of arrangements. These elements of assistance are sometimes collectively termed independent brokerage or independent facilitation.

SACOSS recommends the State government provide funding of \$250,000 for a community-led initiative to research and develop best practice in independent facilitation (including the extent of assurance or accreditation) so that the most helpful version of independent facilitation (the one most likely to assist people into authentic social and economic participation) is then supported to emerge in the new marketplace for disability support.

Both of these initiatives represent a worthwhile investment so that the State government's policy commitment to individualised funding delivers the best possible return in terms of social and economic participation.

Law and Justice

SACOSS's aim is for all South Australians to be protected by law and justice systems that restore and underpin community wellbeing. Unfortunately, the current system fails to do this in several ways. Victims are often excluded from the system and feel doubly victimised; by the crime and by the justice system. Yet the reliance on punitive sanctions like imprisonment is expensive—currently costing South Australians \$138m per year (DCS, 2011)—and often ineffective in deterring crime. Rehabilitation and treatment programs are proven to work and require greater emphasis and resourcing. Currently only 15% of the Department of Correctional Services budget is directed to rehabilitation, while 70% is directed to incarceration (SACOSS figures derived from DCS, 2011, p. 73).

The current approach and system fails to acknowledge and address the social contributors to criminal behaviour, which include familial and social experiences, unemployment, poverty, and disadvantage. These factors are often particularly acute for Aboriginal and Torres Strait Islander people. SACOSS's approach is based on early intervention to break the cycle of crime, often through the implementation of diversionary and restorative processes that limit exposure to the criminal justice system as much as practical, and seek to ensure that both the victim and offender can participate in society.

The preference for alternatives to incarceration and the move toward restorative justice was endorsed by South Australian Thinker in Residence, Judge Peggy Hora (2011), but recent government moves appear to have gone in the opposite direction. For instance, the decision in the mid-year budget review to discontinue the Southern Community Justice Court to focus instead on the new ICAC (Treasury, 2011) further prioritises enforcement and punishment over support and rehabilitation. (Note: SACOSS welcomes the ICAC, but believes it should have been funded from new money, not from a diversionary court program).

The need for early intervention is particularly important where young people are concerned. Oft-cited research from the groundbreaking *Pathways to Prevention* report (Cashman et al, 2002) suggests that child poverty and disadvantage account for a 56% higher chance of participating in offending behaviour later in life, while child neglect is associated with 57% of juvenile participation in crime, 58% of property crime and 49% of participation in violent crime. Yet despite this, the youth justice system is in appalling shape and in need of a comprehensive review.

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PRIORITY FOR 2012-13

detailed on following pages

- 14. Funding an independent review of the youth justice system.**
 - 15. Funding for expansion of diversionary court programs.**
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PRIORITY 14

Funding an independent review of the youth justice system.

South Australia's youth justice system does not serve the best interests of young people or the broader community. Young offenders seldom receive the support they require to break out of the cycle of offending. The current system has an intense focus on punitive approaches, placing little importance on the principles of restorative justice, and fails to acknowledge the many and varied socio-economic factors that contribute to offending by young people.

A comprehensive review of the youth justice system is required, with a view to diversion and moving from punitive to restorative processes. Given the role Families SA and the courts have in the current system, there is a clear conflict of interest in terms of those agencies conducting a review. SACOSS therefore believes that the review should be independent of government, thus requiring money be set aside in the budget. We would be happy to work with government to identify an appropriate reviewer or review body.

The review should not only be comprehensive in scope and independent in status, it should be participatory in its aims and methods. It should ask families and young people what they need from a youth justice system, and ask prisoners and victims (via victim support agencies) what would assist them in the system.

PRIORITY 15

Funding for expansion of diversionary court programs.

The South Australian Magistrates Court operates a number of intervention programs (previously Specialist Sentencing Courts) for offenders where particular circumstances apply. These programs are:

- Drug intervention programs
- Magistrates Court Diversion Program for defendants with mental impairment
- Treatment Intervention Programs for defendants with mental impairment and/or substance dependence problems
- Abuse Prevention Intervention Program for men who have been charged with domestic violence related offences
- Youth Court Intervention Programs which deal with drug issues or mentally impaired young offenders (CAA, 2011).

The Intervention Programs are aimed at reducing reoffending and improving health and social functioning by providing defendants with access to treatment and other services that tackle the underlying causes of offending. Participants in these programs are able to remain on bail for treatment purposes and successful completion is taken into consideration in sentencing.

This represents a move to a more wholistic approach to justice and toward the support and rehabilitation of offenders. These programs should be expanded.

Sustaining Health & Community Services

The community services sector has seen extensive growth in recent decades, in part due to government outsourcing services it formerly provided. While funding community service organisations to provide services has advantages for government and for those who rely on the services, government retains the ultimate responsibility to ensure that vital services are provided to vulnerable and disadvantaged citizens.

Community service organisations are currently struggling to provide many of these vital services. They have minimal resources and major problems with attracting and retaining skilled staff. As cost of living pressures increase, there is an increasing demand for services and also growing difficulties for the community services workforce, many of whom are themselves low income earners. In the last ACOSS *Community Sector Survey* (2011), over half of the surveyed South Australian organisations listed salaries and job security as major impediments to recruitment and retention of staff.

The pay equity case run by the ASU and other unions represents a major step towards addressing the first of these problems, and needs government support to ensure its outcomes are fully implemented. Job insecurity relates particularly to the short-term tenure of many jobs and lack of training and career paths, with insecure (casual and short-term contract) work most common for frontline workers with fewer qualifications.

Wages and job insecurity are not simply workforce issues. Staff turnover and the resultant drain of knowledge and experience, as well as the loss of personal relationships and trust with those who use the services, means that the quality of services is diminished (Ogle and Bowling, 2010). Underlying these issues, and making long term planning for efficient, effective and innovative service delivery near impossible, is the funding model of the sector which is still largely based on short-term contract funding in a time-consuming and inefficient competitive tendering system.

PRIORITY FOR 2012-13

detailed on following pages

16. **Funding the outcomes of the pay equity case and fund an implementation task force in South Australia.**
17. **Indexation of contracts to cover increasing costs of service provision.**
18. **Move to longer term funding models for community service organisations.**

PRIORITY 16

Funding the outcomes of the pay equity case and fund an implementation task force in South Australia.

Addressing the historic and gendered underpayment of the community services workforce remains a major priority for the sector, and funding of the change remains a major challenge. The State Government announced on the eve of the last State Budget that they would fund “their share” of the outcomes of the pay equity. This was a welcome announcement, but as the pay equity case was ongoing, the extent and the details of this funding were at the time not resolvable. On 1 February 2012, Fair Work Australia handed down its decision ordering pay increases of between 19 and 41% (depending on pay grade) to be phased in over a period of eight years (FWA, 2012)

Expenditure to fund the outcomes of the pay equity case must be made available in the 2012-13 State Budget and the forward estimates.

The exact amount of money required to support the State Government’s “fair share” of the pay equity outcomes is difficult to estimate (Government of SA, 2010). However, based on the total State Government funding to the NGO sector of \$437m (Government of SA, 2010), and using a 30% average increase across all wage categories and a broad industry average of 80% of sector expenditure being on wages, SACOSS estimates the following additional State Government expenditure would be needed to cover the pay equity outcomes.

	Govt funding of services - CPI adjusted	CPI Projection	Govt funding of services, inc CPI and pay equity	Extra funding required for pay equity this year	Total Budget impact
	\$m	%	\$m	\$m	\$m
2010-11	437.23	3.20			
2011-12	451.22	3.25			
2012-13	465.89	3	472.41	6.52	6.52
2013-14	479.86	2.75	498.26	11.68	18.20
2014-15	493.06	2.5	524.25	12.29	30.49
2015-16	505.39		550.25	12.90	43.38

These ‘ballpark’ figures assume consistent levels of sector funding (hence adjusting for CPI), but are probably the top end of consideration because they assume all employees would be covered by the equal remuneration order, and include full CPI indexation (which, as noted below, is not always the case). However, the figures do give an indication of the quantum required in the 2012-13 state budget—approximately \$100m over the forward estimates period. This ballpark figure is also consistent with the announcement made by the ACT government about the cost implications for their budget (Burch, 2012). Using the same ratio of cost of the decision to overall budget expenditure, the cost to the State Government to “pay its fair share” would be \$89m over the eight years.

Implementation

The implementation of the pay equity outcomes will also be complicated. There is the timing of the phase in, outstanding issues about which awards and employees will be covered, the relationship of any equal remuneration order to existing enterprise bargains and service contracts, and other technical issues—as well as the need for monitoring of the outcomes to ensure that pay increases are moving the sector towards equity and not being outstripped by bargaining in other sectors. SACOSS is recommending that a joint industry-government-union taskforce be created to oversee the implementation of the pay equity outcomes in South Australia.

PRIORITY 17

Indexation of contracts to cover increasing costs of service provision.

Even where funding for particular community services is initially adequate many community service organisations complain that it is not consistently or adequately indexed to meet annually increasing costs. Some grants have no indexing, while for others the government index figure is used but is often less than the general inflation rate (CPI). ACOSS has argued that a Labour Price Index be used as the primary index for annual funding adjustments (rather than the Consumer Price Index) because of the predominance of wage costs in community sector expenditure, but that CPI should be used when it exceeded the Labour Price Index (ACOSS, 2009, p.34). The Labour Price Index for South Australia (all sectors) showed a rise of 3.5% for the 2010/2011 financial year, whereas CPI was 3.9% (ABS, 2011a, 2011b).

Whatever mechanism is chosen, the key issue is that indexation must cover rising costs and must be included as part of all grants and contracts, otherwise the value of the contract and the ability to deliver services will be diminished over time. The exact budget implications of this are hard to quantify because it is not known what proportion of current longer-term contracts are indexed, and on what basis, so it is not possible for SACOSS to quantify the cost indexation compared to the figures already in current forward estimates.

PRIORITY 18

Move to longer term funding models for community service organisations.

Employment in the community services sector in South Australia is characterised by high levels (35%) of workers with insecure tenure (fixed term or casual employees). This is particularly the case in frontline service delivery (Carson, Maher and King, 2007, pp.86-87), and creates high levels of staff turnover and difficulties in attracting and retaining staff in the sector. This represents a huge drain of knowledge and experience and impacts directly on the quality of service provision.

The underlying cause of this employment pattern (alongside the gendered nature of the work) is the funding model of the sector which is built around short-term service delivery contracts. As well as leading to job insecurity, this model makes it impossible for organisations to plan for effective and efficient service delivery. The 2011 ACOSS Community Sector Survey showed that 2/3 of respondents whose primary source of funding was from the South Australian government thought that contractual arrangements did not allow them to plan adequately, with this particularly being the case for medium size organisations (ACOSS, 2011).

In 2010, SACOSS published a major research paper on alternative employment models for the sector with a number of recommendations to change the funding model for the sector (Ogle and Bowling, 2010). The SACOSS Budget Submission 2011-12 included some of those recommendations, and we again propose that government service-funding contracts should:

1. Primarily offer five years of program funding to community service organisations.
2. Where renewable, include terms providing for standard six months' notice if funding is not going to be renewed.
3. Allow for flexibility in job design and work conditions, with permanent part-time work favoured over more contingent casual and contract work.
4. Incorporate funding for a redundancy payment to staff employed under the contract where the funding contract spans fewer than three years.
5. Ensure that wage levels and staff classifications which are explicit or implicit are adequate to cover appropriately qualified staff at equitable pay rates.
6. Be set at levels to ensure realistic workloads and to cap and enforce sustainable workloads for staff.

The Budget implications of this are mixed. While some of the above would increase the costs of the contract, there would be efficiencies in the government's administration of contracts as they would go longer and therefore require less effort in tendering and negotiation.

Other Initiatives

PRIORITY 19

SACOSS policy position to consult and advocate on gambling policy.

While many people enjoy gambling as a periodic recreational pursuit, it can also be addictive and can have devastating impacts on the most vulnerable and disadvantaged members of society. The harm can flow over into the families of problem gamblers, to their employers and to the wider community through anti-social and at times illegal behaviour borne out of gambling addiction. Given this, it is important to get gambling regulation right. However, when it comes to input into gambling policy, the deck is stacked against the gamblers and community service organisations as they have very little capacity to engage in policy debate and formulation.

The community services sector in South Australia does not have even one full-time staff position dedicated to policy analysis and sector consultation in relation to gambling issues. By September last year, SACOSS publicly identified that it did not have the resources to respond to an important State Government review of gambling codes of practice (SACOSS, 2011g). We remain without the resources to operate in this vital area of advocacy.

By comparison, the gambling industry has enormous resources and, with large amounts of revenue at stake, vastly more to devote to policy analysis and positioning. In the last year we have seen the poker machine industry spending millions on a misleading public advertising campaign to thwart the proposed mandatory pre-commitment scheme, with concerned community groups struggling to respond.

The imbalance of resources is particularly important at a time of rapid and large scale changes in gambling regulation at federal and state levels. Resources are needed to enable community service organisations to keep informed and to enable SACOSS as the peak body to have the capacity to consult those engaged in the area, to aggregate that experience, and draw out and articulate policy responses. As we noted in our Budget Submission 2011-12, there are precedents for this in other areas where there is a similar asymmetry of resources, such as the funding for national energy advocacy through the Consumers Advocacy Panel.

The funding required for one or two policy staff to be housed within the community sector is modest in comparison to the approximately \$400m of gambling revenue the comes to the State Government each year.

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