



ncoss
NSW Council of Social Service



NSW 2016-17 Budget Analysis



About NCOSS

The NSW Council of Social Service (NCOSS) works with and for people experiencing poverty and disadvantage to see positive change in our communities.

When rates of poverty and inequality are low, everyone in NSW benefits. With 80 years of knowledge and experience informing our vision, NCOSS is uniquely placed to bring together civil society to work with government and business to ensure communities in NSW are strong for everyone.

As the peak body for health and community services in NSW we support the sector to deliver innovative services that grow and evolve as needs and circumstances evolve.

Published June 2016.

© NSW Council of Social Service (NCOSS)

This publication is copyright. Non-profit groups have permission to reproduce part of this book as long as the original meaning is retained and proper credit is given to the NSW Council of Social Service. All other persons and organisations wanting to reproduce material from this book should obtain permission from the publishers.

NCOSS can be found at:

3/52 William St, WOOLLOOMOOLOO NSW 2011

phone: (02) 9211 2599

email: info@ncoss.org.au

website: www.ncoss.org.au

facebook: on.fb.me/ncoss

twitter: [@_ncoss_](https://twitter.com/_ncoss_)

Contents

Overview	4
NCOSS 2016/2017 Pre-Budget Submission	5
Housing and Homelessness	6
Domestic and Family Violence	7
Disability	8
Children, Youth and Families	9
Employment	10
Mental Health, including Drug and Alcohol services	11
Transport	13
Other Budget Measures and Initiatives	14
Revenue and Expenditure	14
Health	14
Refugees	14
Justice	15
Older people	15
Multicultural	15

Overview

In the 2016/2017 Budget, the NSW Government has once again focussed on its key themes of fiscal management, with significant infrastructure investment and modest growth in service delivery.

This is clearly an infrastructure budget, with several major projects funded or planned – including infrastructure to support new housing supply in south west and western Sydney. That said, it also invests in new and expanded services across government, with funding for most major service areas increasing in 2016/2017. Health (up 5%) and education (up 7.2%) are the major highlights.

This budget also sees new investments in a range of key areas that have featured in NCOSS' and our sector's advocacy over the past year – housing and homelessness, domestic and family violence, mental health, children and families, disability, employment and transport including:

- New and expanded spending in housing and homelessness services plus significant infrastructure investments from the Housing Acceleration Fund to support new housing supply
- A doubling of Domestic and Family Violence (DFV) Services to more than \$300 million over four years
- An extra \$108 million for mental health, focused on suicide prevention, young people and community mental health services, and an extra \$75 million for drugs and alcohol services
- New and increased investments in the child protection system and other initiatives focussed on children, youth and families

- A two year commitment of advocacy, information and peak body supports for people with disability until 30 June 2018
- \$100 million for the Smart, Skilled and Hired program for unemployed youth and \$12 million for fee-free TAFE scholarships – this includes scholarships for survivors of DFV.
- Significant new investment in transport accessibility, along with a rejection of IPART's recommendation to increase a range of fares, including the Opal Gold card fares

With a \$3.7 billion surplus, this budget was, however, a missed opportunity to fix our chronic underinvestment and underperformance in early childhood education and care (ECEC). Despite a 14.8% increase in spending (largely made up of Commonwealth payments, carry forwards and previous commitments) NSW will almost certainly

continue to invest less per child in ECEC than any other state, and this is not enough to effectively address affordability and access issues for NSW parents.

This budget confirms indexation for NGO funding at 2.4% for Family and Community Services funded programs, 2.5% for Health funded programs and 2.38% for Justice funded programs.

This budget bottom line is strong, but the Treasurer has forecast structural challenges in future years. While the surplus is healthy at \$3.7 billion this year, and revenue is growing faster than expenses, the budget forecasts declines in property transfer duty and GST revenue over the next three years. This has led to the NSW Government placing a cap of 3% growth on expenditure over the next four years, which could result in cuts or constraints in their future capacity to invest in services that people experiencing poverty and disadvantage rely on.

NCOSS 2016/2017 Pre-Budget Submission

Last year, NCOSS consulted almost 200 community organisations in 22 regional and metropolitan centres across NSW to pull together our Pre-Budget Submission. Our members said our advocacy should focus on the areas outlined here, and made the following budget recommendations to the NSW Government:

1. Housing and Homelessness

Invest an extra \$711 million and make smart policy choices that will deliver a significant increase in the social and affordable housing stock in NSW, reduce homelessness, and properly maintain existing social housing stock.

2. Domestic and Family Violence

Invest \$106 million over the next three years in specialist, trauma informed and trauma specialist responses to sexual assault and domestic and family violence including specialist community legal assistance.

3. Disability

Invest \$15 million over three years in a Disability Inclusion Fund to ensure the representatives of people with disability can work with the NSW Government to make all NSW Government services (like health, education and transport) work for people with disability, deliver on the government's inclusion and participation agenda, and amplify the voice of people with disability in the cultural, social and economic life of our state.

4. Children, Youth and Families

Invest \$543.2 million in key initiatives to ensure the life outcomes of NSW children aren't determined by their socio-economic status and the poverty they experience in childhood.

5. Employment

Invest \$83 million each year for three years in a comprehensive Local Jobs Partnerships program that resources local councils and community organisations to work with the most disadvantaged jobseekers to get them work.

6. Mental Health

Invest an additional \$469 million over four years into community based mental health services that offer a range of sub-acute, clinical and non-clinical services across NSW.

7. Transport

Improve access to public transport services by investing an extra \$42.7 million to expend investment in new infrastructure and services, make existing infrastructure and stock more accessible for people with disability, lower fares for people on low incomes and who are unemployed, and support community transport services.

Housing and Homelessness

NCOSS advocated in our Pre-Budget Submission for an extra \$711 million investment, plus some smart policy choices to deliver a significant increase in the social and affordable housing stock in NSW, reduce homelessness, and properly maintain existing social housing stock.

Everybody needs a place to call home. However for many people experiencing poverty in NSW this is an unaffordable dream, and NCOSS members and stakeholders consistently reinforce housing and homelessness as key issues for NCOSS' advocacy. Housing and homelessness featured heavily in NCOSS pre-budget submission, and this budget too has a strong focus on these issues.

This budget reiterates that the NSW Government's preferred lever for addressing housing affordability is by increasing supply. The centrepiece of this strategy is a **\$262 million investment from the Housing Acceleration Fund** for roads infrastructure projects to facilitate the construction of more than 160,000 homes in western and south western Sydney.

We know, however, that social infrastructure is at least as important to our society's fabric as roads, and this budget supports the NSW Government's proposals to accelerate private housing development with a range of other initiatives and investments in social infrastructure including:

- A **7.6% increase in homelessness spending**
- An additional \$10 million for **youth homelessness initiatives** that prioritise young people leaving care (\$40 million over four years), as well as \$10 million for support and accommodation under the **Homeless Youth Assistance Program**
- Social Housing property transfers to community housing providers, with implementation costs of \$6.1 million
- An increase of \$8 million over four years to provide **private rental supports**
- More than **\$300 million over four years for domestic and family violence programs**
- An injection of \$22 million into the expansion of private rent assistance including **Rent Choice (\$20 million)** and the **Youth Private Rental Subsidy (\$2 million)**
- **\$376 million for new capital works** by the Land and Housing Corporation, plus **\$216 million for upgrades** and improvements of existing housing stock

There is also significant investment in Aboriginal Housing, including \$53 million under the National Partnership Agreement on Remote Indigenous Housing for **new housing and upgrades, repair and maintenance investment of \$15 million**, focused on improving housing quality, and **\$15 million for reform** of the Aboriginal Community Housing sector.

\$14 million over four years in operational funding has now been provided to support operations for the \$1billion Social and Affordable Housing Fund, which will fund 3000 new dwellings.

Domestic and Family Violence

NCOSS advocated in our pre budget submission for an additional \$106 million over the next three years in specialist, trauma-informed and trauma specialist responses to sexual assault and domestic and family violence including specialist community legal assistance.

A Safer State, developed by the NSW Women's Alliance, maps out a comprehensive blueprint for responding to the domestic and family violence emergency faced by NSW and Australia. NCOSS strongly supports its recommendations, and this budget begins the process of responding to it with the types of initiatives and investment needed to address the crisis.

The Start Safely rental subsidy program is expanded to also cover women on moderate incomes. The level of the subsidy will also be increased and its length will be extended for two to three years.

Overall, the budget for specialist DFV services will more than double to \$83.1 million, or more than \$300 million over the next four years. This new investment is made up of a range of initiatives including:

- A **state-wide rollout of Safer Pathways** service coordination and integration pilot to 19 new sites, at a cost of \$53 million – \$7.8

million allocated in 2016/2017 to roll out to 19 new sites

- A **\$20 million Innovation Fund** for prevention, early intervention and crisis responses
- The introduction of **GPS monitoring of high risk DFV perpetrators** to improve the safety of women and their children, at a cost of \$2.9 million over four years
- \$25 million over four years to establish **Police Domestic Family Violence High Risk Offender Teams** in the six police regions and deploy **Domestic Violence Liaison Officers**
- An additional \$6.3 million over four years to assist the **Women's Domestic Violence and Court Advocacy Program** meet unmet demand to respond to police referrals
- \$13 million over four years to **Victims Services to pilot new responses for male victims** (eg gay men or fathers and sons suffering family violence) through expert NGO support
- An investment of \$43 million over four years for housing supports through **Start Safely**
- \$15 million over four years for **NGO led community based perpetrator interventions**, including \$8 million in new funding to change behaviour
- An investment of \$25 million over four years for **Staying Home Leaving Violence** to enable women and their children to stay in their homes or a home of their choice

These initiatives represent a significant expansion of the NSW Government's DFV response – an expansion that is well overdue. The mix of responses is also welcome, with a balancing of new funding for specialist services with provision for innovation, male behaviour change and other initiatives.

Disability

NCOSS advocated in our Pre-Budget Submission for \$15 million over three years in a Disability Inclusion Fund to ensure the representatives of people with disability can work with the NSW Government to make all NSW Government services (like health, education and transport) work for people with disability, deliver on the government's inclusion and participation agenda, and amplify the voice of people with disability in the cultural, social and economic life of our state.

The major focus of disability spending in this budget is the **implementation of the NDIS**, with \$1.3 billion allocated to this task, and the NDIS planned to be delivered to more than half the state. In addition, the budget allocates **\$22 million for new homes for people with disability**, although it is unclear at this stage whether people who live in these homes will be able to exercise choice and control over where they live and who they live with.

The NSW Government currently invests around \$20 million per annum in inclusion activities like support programs for people with intellectual disability who come in contact with the NSW criminal justice system, and advocacy for an inclusive health, education and transport system. This funding is guaranteed in this budget for two years, but there is more work to be done to ensure these critical services continue once the NDIS is fully implemented.

There are 1.3 million people with disability in NSW, many of whom will not be eligible for support under the National Disability Insurance Scheme. When it is fully implemented in NSW people with disability will continue to use a range of NSW Government services, including hospitals schools and roads.

Another key investment in this budget is over **\$20 million this year to continue the funding of disability advocacy, information and peak body services**. These services play an integral role in working with the NSW Government to ensure the full gamut of NSW services (as well as the NDIS) work for people with disability and NSW. Recent announcements have also confirmed funding of these vital organisations until 1 July 2018.

Children, Youth and Families

NCOSS advocated in our Pre-Budget Submission for an investment of \$543.2 million in key initiatives to ensure the life outcomes of NSW children aren't determined by their socioeconomic status and the poverty they experience in childhood.

One in seven of NSW's children live in households experiencing poverty, and NCOSS believes that that disadvantage shouldn't determine their life chances. This budget invests in a range of new and existing projects, programs and initiatives aimed at protecting and potentiating children, youth and families, with big ticket expenditure items in education, child protection and health.

Despite a 14.8% funding increase largely made up of Commonwealth funding, underspends and previous commitments, in NSW today we have higher fees, proportionately fewer children enrolled in at least 600 hours of education, and lower levels of funding for early childhood education and care than any other state.

Sadly, a significant increase in demand for out of home care (OOHC) has necessitated major new investments in the child protection system, **including \$370 million over four years for OOHC and \$190 million for reform of the child protection and OOHC systems.** Of the reform money, \$40 million is allocated to initiatives such as **family preservation (\$11 million)** where half of all new places will be dedicated to Aboriginal children and families. The potential for some of the remaining \$150 million to flow to earlier intervention – an area where additional investment is much-needed – in later years of the four-year funding commitment is unclear.

The budget will also deliver \$382 million for **early childhood education services.** This 14.8% increase relates only to Commonwealth payments, unspent funds from previous years, and implementation of earlier commitments such as \$38 million to increase regional preschool participation and the \$20 million Before and After School Care Fund. This per child investment is lower than any other state, and resolving the affordability issues parents face is impossible with these low levels of funding.

Other initiatives include:

- \$5.6 million in new funding this year (\$15 million over 4 years) will see the **Aboriginal Child and Family Centres** continue to be funded after Commonwealth funds ceased. Importantly, the centres are predominantly operated by Aboriginal organisations and provide valuable services in rural, regional and metropolitan NSW
- An extra \$7 million for programs to tackle **childhood obesity** from NSW Health
- Initiatives that will support the inclusion of vulnerable children including \$50 million for the roll-out of the **Supported Students, Successful Students** election commitment which begins in Term 3, 2016 and an additional \$15 million for the **Assisted School Travel Program**
- An injection of school infrastructure funding, with an additional \$942 million over four years for **new schools, new classrooms and upgrades**, and \$330 million for **maintenance**
- Investment of \$55 million in the Future Directions social housing strategy, with initiatives including early childhood centres in social housing areas, and the delivery of a **home visiting program for parents with babies** in social housing areas

Employment

NCOSS advocated in our Pre-Budget Submission for **\$83 million each year for three years in a comprehensive Local Jobs Partnerships program, that resources local councils and community organisations to work with the most disadvantaged jobseekers to get them into work.**

Unemployment causes poverty, affects physical and mental health, and reduces life satisfaction. Unemployment is predicted in this budget to continue to fall to 5% in 2017/2018, which is an important

\$786 million allocated to skills development including a significant headline investment of \$100 million for the **Smart, Skilled and Hired initiative** focused on unemployed young people in targeted regions. Some of the other jobs initiatives in this budget include:

- \$25 million to establish the **Sydney School of Entrepreneurship** aimed at building the capacity of young people for business success
- An **increase to the TAFE NSW budget of 5.4%** to \$1.8 billion

NCOSS strongly supports the new \$100 million Smart, Skilled and Hired initiative that will target the State's highest areas of youth unemployment, including Western Sydney, the Central Coast, New England/North West and the North Coast and support young job seekers to find employment in the high demand construction and disability sectors.

measure of success. NSW is also predicted to have an unemployment rate lower than other states for the foreseeable future, but will likely see a continuation of stubbornly high unemployment levels among young jobseekers, Aboriginal people and in some regions.

The Premier's commitment to create 150,000 jobs appears on track, and this budget continues to invest to make that target a reality. Overall, the budget has

- Investment of **\$12 million for fee-free TAFE scholarships** – this includes scholarships for survivors of domestic and family violence and a range of other cohorts
- Implementation of the Jobs Action Plan payroll tax rebate and the Small Business Employment Incentive Scheme, at a cost of \$344 million

Mental Health, including Drug and Alcohol services

NCOSS advocated in our Pre-Budget Submission for an additional \$469 million over four years into community based mental health services that offer a range of sub-acute, clinical and non-clinical services across NSW.

- A state-wide, \$11 million rollout of the **Child and Adolescent Mental Health Services GOT IT! Teams**, including \$9 million for 10 new teams focused on early intervention

NSW Health has announced the organisational separation of the drugs and alcohol and mental health policy and program area into separate directorates. This separation, coupled with this new investment demonstrates that these two areas are key priorities for this government.

Mental illness is a major cause and consequence of poverty and disadvantage. This budget goes some way to providing the investment that NCOSS and our members believe is required to tackle this issue, with a more than \$106 million increase in spending compared to last year – including a substantial increase in funding for mental health NGOs. Some of the key initiatives include:

- A new \$8 million (over four years) **Suicide Prevention Fund** to support NGOs prevent suicide
- An increase of **\$8 million for Community Living Supports**
- \$10 million to support an extra **67 Housing Accommodation and Support Initiative places**
- **\$3 million for Lifeline** to continue providing their vital crisis services
- New funding of **\$3.1 million for Wesley Mission's Mums and Kids Matter** program
- An additional investment of **\$2 million for eating disorders**
- An additional **\$32 million for admitted and non-admitted mental health services**
- **Specialist Suicide Prevention Training** for 10,000 non-mental health clinicians

Drug and alcohol misuse puts pressure on people, families, service systems and the NSW Government budget, and reducing misuse is a key public health objective. This budget has seen substantial, and welcome, new investment in programs and initiatives to support people in and into treatment. Overall, the NSW Government will invest an additional \$75 million over four years on programs and initiatives targeted at drug and alcohol misuse including:

- New investment of **\$12 million in community treatment and aftercare**, expanding NGO and local health district (LHD) partnerships and developing new models of care and treatment
- The creation of an **\$8 million "Early Intervention Innovation Fund"** to build the evidence for models to support people at risk, focusing in particular on young people using drugs
- Investment of \$16 million in **new and expanded youth detox and treatment services**
- An expansion of specialist medical and nursing services, providing ongoing **substance misuse support to 1,000 women during pregnancy and post-delivery**, at a cost of \$15 million

- \$8 million invested in **residential rehab for women and parents** with dependent children
- **Supports and information for families and carers** of people who misuse drugs and alcohol at a cost of \$1.5 million, plus Increased investment of **\$1.7 million for Whole Family Teams** supporting families with complex mental health and drug and alcohol issues
- **Expansion of the Involuntary Drug and Alcohol Treatment Program** costing \$14.5 million
- \$3 million for **Perinatal and Infant Mental Health Teams** and three new **School-Link coordinators** supporting the mental health of children with intellectual disability

Transport

NCOSS advocated in our Pre-Budget Submission that the NSW Government improve access to public transport services by investing an extra \$42.7 million to expand investment in new infrastructure and services; make existing infrastructure and stock more accessible for people with disability; lower fares for people on low incomes and who are unemployed; and support Community Transport services.

Improving both affordability and accessibility were the key messages from members about the NSW Government's transport priorities. In this budget, the NSW Government has continued to focus on major infrastructure projects, including elements of WestConnex, the Sydney Metro, light rail in Sydney, Parramatta and Newcastle, and other road and rail upgrades across the State. There are some key initiatives under the affordability and accessibility banners, and of particular note are:

- \$280 million for the continuation of the **Transport Accessibility program**, though a significant portion of this money relates to parking facilities, rather than accessibility improvements – more funds are still needed to make the transport network fully accessible
- \$32 million upgrading Sydney Ferry wharves to improve safety and accessibility
- \$15.5 million more per year for the **Taxi Transport Subsidy Scheme** - this includes increases in the trip subsidy payments, Wheelchair Accessible Taxi driver incentives, booking service subsidies and concessional loans for accessible vehicles
- \$108 million to finance **218 new fully accessible replacement buses**, improving capacity and accessibility of existing services
- Funding for **community transport** stable after last year's budget commitment to increase funding by \$12 million over four years

The NSW Government recently rejected IPART recommendations to increase fares, including changes to the Opal Gold Card. NCOSS welcomes this, but more change is needed – we'll keep advocating for lower concession fares for job-seekers

Other Budget Measures and Initiatives

Revenue and Expenditure

Four year forecasts suggest that the state faces significant fiscal challenges, with **revenue growth expected to slow** to an average 2.3% by 2019/20. The Government plans to manage this and maintain surpluses **by reining in expense growth** to just 3%, which could impact on service delivery into the future.

There are several explanations for the projected slide in revenue growth. The most significant is the impact of a **\$10.8 billion forecast fall in GST revenue** for NSW. The Budget also projects a significant decline in transfer duty growth, which includes **residential stamp duty**, from 13.5% to just 4.7%.

To make up for some of this shortfall, a foreign property investor surcharge of 4% on transfer duties and 0.75% on land tax will be introduced, raising an additional \$1 billion over four years. However, at the same time the Government has **cut business taxes** by abolishing mortgage duty, share transfer duty and non-real transfer duty at a cost of \$400 million.

Health

This year's \$20.6 billion health expense budget represented a 5% increase on last year. Additionally, \$306 million will be invested in new capital works. There has been \$375 million in new money for **79,000 extra emergency attendances, 4,500 elective surgery patients, and an additional 900 hospital staff**. While this investment is welcome, it is unclear whether this boost will be sufficient to meet growing demands, especially in light of Commonwealth funding cuts.



Refugees

Under programs supporting refugees, there is \$4 million allocated for **legal aid services**. An investment of \$11 million (\$32 million over four years) will also be made for a wide range of health services to support the resettlement of additional refugees, **plus \$2 million for private rental assistance** for refugee households and out of homecare support for unaccompanied children.

Justice

The Justice Cluster has a budget of \$13.7 billion, an increase of 13% largely due to increased spending on infrastructure for prisons and police. The budget spends \$3.8 billion over 4 years to increase the immediate, medium and long-term **prison capacity** by approximately 7,000 beds , including 650 at Parklea Correctional Centre and the new 1,700 bed facility in Grafton.

Justice System reform will cost \$570 million, and will include three additional District Court judges, speeding up court processes and reducing adult reoffending. **Legal Aid's Civil and Criminal practices have lost funding**, while **funding for CLCs is steady**, despite looming Commonwealth funding cuts.

Older people

Around half of the \$6.5 million to implement the **Ageing Strategy** is being spent on existing programs such as the **Liveable Communities Program (\$1 million)**, the **Elder Abuse Hotline and resource unit (\$650,000)** and **2016/2017 funding for Ageing peak bodies (\$1.1 million)**.

Multicultural

Multicultural NSW is investing \$1 million in an **automated telephone interpreter service** that will be accessible 24 hours a day, and \$2.8 million (a 23% increase) on **community grants**.





ncoss

NSW Council of Social Service