



# NCOSS Analysis of the 2010-11 NSW State Budget

## 9 June 2010

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## Introduction

*Paying less stamp duty means very little for people who can't afford to buy new homes when they are already struggling to make ends meet. What they most need is ongoing support to help them get back on their feet during tough times.*

This year's State Budget has followed the example of the Commonwealth Budget from May – despite being the last before an election, the Government was determined to produce a Budget that would be considered fiscally responsible with little in the way of new spending initiatives. NCOSS is not opposed to Budgets being fiscally responsible provided that they are also fair. This analysis sets out the main features of the Budget and an assessment of whether the revenue and expenditure measures it contains are directed towards those most in need of support and can be considered as fair.

In analysing the NSW 2010-11 Budget several overall themes were apparent:

- While it is true that in several areas there is “record spending” it is by and large “business as usual” in that the funds committed are what was expected as a result of prior announcements or previous forecasts. Where there is new or additional money, while welcome, it is usually insufficient to meet existing demand or catch up with underinvestment in previous Budgets.
- The focus is still very much on “big systems” and/or crisis interventions rather than on refocusing on early intervention and prevention by committing a greater proportion of total funds to such programs.
- There is no “whole of program, cross agency” breakdown for significant initiatives such as Keep Them Safe, the Homelessness Action Plan or Two Ways Together. This extends to the State Plan. Without a clear statement drawing all of the component parts of these action plans together it is very hard to assess progress and investment against the various announcements and commitments made.

## Overview

There is a much better budgetary position than that forecast in the previous Budget which sees a turnaround from a budgeted deficit of \$990m in 2009-10 to a projected surplus of \$101m. This better than expected position is due largely to the various Commonwealth stimulus programs.

### Budget Results Table

	<b>Budget 2009-10</b>	<b>Budget 2010-11</b>
	<b>(\$m)</b>	<b>(\$m)</b>
2009-10	-990	101
2010-11	-116	773
2011-12	86	885
2012-13	642	863
2013-14		628

Infrastructure expenditure is maintained at the record 2009-10 level of \$16.6 billion for 2010-11. The bulk of spending is in the areas of transport and roads (36.8% of infrastructure spending) and electricity (28.1%).

The Government has extended the Community Building Partnership grants scheme for another year at a cost of \$35m. Community organisations, local councils and community groups will be able to access \$300,000 per electorate (\$400,000 for electorates with higher unemployment rates) to improve community facilities.

The Government also announced a Youth Package targeted at improving the “job readiness” of unemployed young people. The package totaling \$11.4m includes:-

- Support for 2000 unemployed young people to undertake targeted employment ready training courses - \$5.5m;
- 2 year trial of employment advisors in areas of high youth unemployment (including the Illawarra, Central Coast and Western Sydney) - \$3.9m;
- Support for local community programs which engage young people in sports and cultural development activities and provide links to local training or job opportunities - \$2m.

While such an initiative is welcome it is well short of a comprehensive long term plan to ensure that young people, particularly those who have disengaged from school, get the support they need to get and keep a job in what is a fast changing and competitive labor market.

The Government has also maintained its current wages policy with increases capped at 2.5% p.a. Increases over this amount must be met through employee related savings. The ongoing implementation of the Better Services and Value Plan, announced in last year's Budget, is being used to reduce future rates of expenditure growth. NCOSS maintains its position that these sorts of reviews can often have significant unintended and/or negative consequences and that it is important for the sector to closely monitor and seek to influence the outcomes to ensure that any savings made are not at the cost of quality service delivery.

The Government's wages policy has also set the indexation for current NGO programs at 2.5%. While the Government has indicated that it will be talking to the sector about the potential consequences of the National Pay Equity case (currently underway before Fair Work Australia) there is nothing in the Budget to indicate the Government's thinking at this time.

### ***Economic Situation***

The economy, like the Budget, is forecast to be better than anticipated in the previous Budget having avoided the worst of the global financial crisis. Unemployment had been forecast to rise to 8.5% in 2010-11 but is now forecast to be 5.5% while CPI is higher than previously forecast.

### **Economic Outlook**

	<b>Unemployment</b>	<b>Sydney CPI</b>	<b>Wage Price Index</b>
2009-10	5.75%	3.75%	3.25%
2010-11	5.5%	2.75%	3.5%
2011-12	5.25%	2.75%	3.75%

## Attorney General's Department

### **Overview**

Overall \$1.79 billion in 2010-11, a 5.5% increase on the 2009-10 budget but a 1.3% decrease on the 2009-10 revised budget (\$1.81b).

There has been increased funding for services and programs to address Domestic Violence - these are discussed below. NCOSS congratulates the Government on this commitment to supporting women and children and addressing domestic violence in a comprehensive manner.

\$5.5m for the Forum Sentencing Program, which gives victims a say in their sentencing, this is a continuation of a 2007 election commitment. The funding will enable the roll out of the program to an additional 25 courts, covering a third to half of all courts in NSW. BOSCAR conducted an evaluation of the program and found it works for victims but it is no better or worse than ordinary court services in terms of recidivism rates. The program is being reviewed and changed to include an assessment of any offender going through the forum so that it can be better targeted.

The NCOSS Election Document *Fairness in NSW* calls for additional funding for diversionary schemes to reduce crime and welcomes the Attorney General's ongoing commitment to these programs:

- \$1.1m towards circle sentencing for Aboriginal Offenders, which involves Aboriginal communities and victims in the court process;
- \$483,000 for year two of a 2 year trial of the Court Referral of Eligible Defendants into Treatment (CREDIT) Program (based on the New York Community Court) in Burwood and Tamworth;
- \$13m for MERIT a joint Commonwealth/State Program to refer offenders with drug problems into treatment prior to sentencing;
- Ongoing 2.2m for the NSW Drug Court and \$4.2m for the Youth Drug and Alcohol Court.

The only disappointment is the continuing lack of support and funding to hold a consultation with the people of NSW on implementing a Human Rights Charter in NSW.

### **Legal Aid Commission**

\$217,239m in 2010-11 an increase of 9% on the 2009-10 budget but a 1.5% decrease on the 2010-11 revised budget of \$220,623m.

Community Partnerships Program provides funding to Community Legal Centres (CLCs) and Women's Domestic Violence Court Assistance Program (DVCAP). There is a budget of \$22,240m an increase of 3.6% on 2009-10 but a 6.3% decrease on 2009-10 revised budget of \$23,638m. In 2010-11 CLCs will be funded at \$14.9m and DVCAP at \$7.3m.

NCOSS was informed that a decrease in funding across programs is due to:

- Uncertainty around Commonwealth funding to Legal Aid, which had not been finalised when the state budgets were completed;
- That Commonwealth budget announcements for 2010 were not included;
- The new funding via the Domestic Violence Plan has not been included.

However the Commonwealth announced funding of \$10m in its 2010-11 budget and this will be added into the program.

In our *2010-11 Pre-Budget Submission* NCOSS has consistently sought additional funding for Community Legal Centres and funding for new programs related to employment law and legal services for people with intellectual disability and refugees. In *Fairness in NSW* NCOSS also seeks an increase in funding for Community Legal Centres, Prisoner Legal Services, Aboriginal Legal Services and Legal Aid. It would be a positive step to see this happen before the next election as part of the Government's commitment to ensuring a fair NSW.

New announcements in the Legal Aid budget include:

- \$2m per annum for legal assistance in Children's Court Care and Protection Matters (state-wide);
- \$1.5m for the representation of children in Criminal Court matters before the Children's Court (provided by private practitioners across the state);
- \$1.6m for alternative dispute resolution in care and protection matters (part of Keep Them Safe but we are still waiting to hear what model is going to be used).

### ***Domestic Violence***

NCOSS welcomes the Government's commitment to addressing Domestic and Family Violence with the Release of the Action Plan and the commitment to fund a range of programs aimed at supporting women. NCOSS, along with many others, has been arguing for a Plan and appropriate funding through both its *Pre-Budget Submissions* and in *Fairness in NSW* and it is very pleased to see this is now happening.

Overall \$50m over 5 years for the NSW Domestic and Family Violence Action Plan – Stop the Violence, End the Silence will be provided.

\$479,000 for the Domestic Violence Homicide Review Panel, funded through the Attorney General's Department. Funding is recurrent but could include capital establishment costs, which are not recurrent. NCOSS, along with many others, has long been an advocate for DV Review Teams and to see the panel finally being funded is a positive step. We congratulate the Attorney General's Department on this step.

Other programs being funded under the Domestic and Family Violence Action Plan are:

- \$2.2m to support existing DV ProActive Support Services (DVPASS) in Sutherland, Inner West, Wollongong, Redfern and Canterbury regions ( A worker is based in community organisation and liaises with the police, court, victim, etc to provide support to the woman between police intervention and the first court appearance).
- \$1.5m to expand DVPASS to 5 new high risk regions – Coffs Harbour, Rockdale/Kogarah, Eastern Suburbs, Parramatta and Armidale.
- \$2.4m to Legal Aid to expand the Domestic Violence Duty Solicitor Scheme to 15 additional courts. It is currently offered in 13 courts.
- \$1.3m to expand the Rural Women's Outreach Program, providing legal services and support, to Southern NSW as well as an Aboriginal specific service (this will be run through Community Legal Centres).
- \$9.5m in Commonwealth funding to support the Orana Far West Safe House Project Model.

The Government has also committed \$8m until 2013 to expand *Staying Home Leaving Violence* to 18 locations across NSW. In this year's budget, \$2.6m will be invested in the program. This program supports victims of domestic violence to stay in their own homes while the perpetrator is removed from home and held accountable for the abuse.

### ***NSW Trustee and Guardian***

The NSW Government funds a community service obligation payment to enable the Trustee and Guardian to meet its statutory obligation to administer low valued estates and trusts and provide services for low income clients. In 2010-11 this is \$5,215m a 118% increase on 2009-10 budget but the same as the 2009-10 revised budget.

### ***Corrective Services***

Overall \$1,794,297m, a 5.5% increase on the 2009-10 budget but a 1.3% decrease on the 2009-10 revised budget (\$1,817,479m). This includes \$600,000 in grants for Victims of Crime Support Groups raised from work of inmates through Corrective Services Industries.

In 2010-11 there is capital expenditure of \$130.7m including expansion of Cessnock and finalisation of Nowra Correctional centres.

There has been a decrease in funding across all programs from revised 2009-10 budgets to 2010-11:

- Custody Management - \$691,244m an increase of 3.5% on the 2009-10 budget but a 4.9% decrease on the 2009-10 revised budget (\$724,856m);

- Supervision of Offenders in the Community (includes delivery of offender programs in the community) - \$130,781m a 12.7% increase on 2009-10 budget but an 8.2% decrease on the 2009-10 revised budget (\$141,462m);
- Offenders Program (delivery of offender programs to reduce risks of re-offending and support services to enable offenders to re-settle and integrate) - \$144,268m a 6.2% decrease on 2009-10 budget and a 9.2% decrease on 2009-10 revised budget.

From the briefing given to NCOSS the reasons for the decreases are the efficiency dividend (1.5%) and a range of savings strategies that have been implemented to reduce costs. However service measures remain the same and a commitment was made to not delete programs or reduce program effort.

In the *2010-11 PBS and Fairness in NSW* NCOSS has called for increases in funding to intensive residential support, post-release services (existing and new) and rehabilitation services. It is disappointing to see these programs reduced rather than utilising any 'savings' to increase service delivery.

Some key points from the briefing:

- Intensive Corrections Orders legislation is to be tabled in parliament this week. The aim is to direct funding into program interventions. As a result periodic detention will cease. A person has to be sentenced and then assessed as suitable for an Order. In some way this goes towards the *Fairness in NSW* Reducing Crime – alternatives to prison recommendation.
- Over the next few months prisoners will have access to legal service information through a web based portal within the prison system. This is a step towards the *Fairness in NSW* Access to Appropriate Legal Assistance, Representation and Information.

### ***COSPs***

The current allocation for the five existing Community Offender Support Program Centres (COSPs) is \$7m. The total budget for COSPs will be escalated as new facilities come on line.

The total budget for COSPs, as initially provided in the homelessness submission, is \$22.5m for all COSP.

### ***Disability Services Program***

The budget allocation for the State-wide Disability Service for 2009-10 was \$1.3m. Internal budget allocations for CSNSW in 2010-11 have not yet been finalised. It is expected that a similar amount plus 2.5% escalation will be allocated to Disability Services in 2010-11.

Corrective Services NSW State-wide Disability Service is based on the Long Bay Complex but provides services across NSW including assessment, liaison and policy advice relating to offenders with disabilities in custody and the community. The budget referred to above relates directly to these services.

## Department of Human Services

### ***Aboriginal Affairs***

There has been an increase of \$1.5m to \$26.9m representing a real increase of 2.7% for Aboriginal Affairs. There is new money to:

- Convert Community Development Employment Program (CDEP) positions to fully paid NSW Public Service positions;
- Employ Economic Development Officers (supplemented by Commonwealth contributions);
- Support Aboriginal men's initiatives.

Other ongoing initiatives are the Aboriginal Communities Development Program to raise the health and living standards of priority Aboriginal communities, the Partnership Community program which involves Aboriginal people in service delivery and the Safe Families Program which tackles Aboriginal child sexual assault in five nominated far western NSW communities. Other initiatives to improve outcomes for Aboriginal people and communities are being undertaken by other agencies and are reported under those agency headings.

The comprehensive statement of spending on Aboriginal people and communities announced last year hasn't materialised making it hard to assess the overall effectiveness of the Two Ways Together plan.

### ***Ageing, Disability and Home Care***

#### **Overview**

The 2010 -11 ADHC Budget rises to \$2.5 billion, up \$206m (9.1%) on 2009-10. Jim Moore, ADHC Chief Executive, announced that the ADHC budget increased by exactly the same amount that the state revenue grew - 9.1%

#### **Disability**

The fifth and final year of *Stronger Together* has been fully funded. *Stronger Together* is a 10 year Plan and contains the first 5 years' spending measures.

NCOSS PBS called for a \$52m increase for disability supports above planned spending. Almost all *Stronger Together* targets have been met or exceeded by ADHC in the past four years. In the last 5 years, Mr Moore reported that non-government disability services have grown by 50% with more than 60% of all service provision now delivered by NGOs.

Minister Primrose explained that the promised second stage of *Stronger Together* would not be announced until the Pay Equity case was decided in October. Consultations for *Stronger Together 2* began last week, and the Minister will attend the other 13 planned consultations across NSW during June and July: in Chatswood, Parramatta, Drummoyne, Sutherland,

Narellan, Newcastle, Bathurst, Dubbo, Wagga Wagga, Wollongong, Queanbeyan, Lismore and Tamworth. There will be opportunity for written submissions and online feedback, more information is expected to be announced shortly.

2010-11 Disability recurrent Highlights include:

- 401 new supported accommodation places at \$48.3m. Mr. Moore reported this increase brings the total number of supported accommodation “beds” currently in the system up to nearly 6,500.
- Attendant Care: \$4.8m for 103 places.
- Flexible Respite increased by \$2.4m for 159 places.
- \$13.3m for up to 1,000 new post school places.
- \$2.7m for 490 intensive support packages for children and families.
- \$2.9m for the younger people in nursing homes program; allowing another 100 people to be relocated and providing improved in-reach services to support those staying in residential aged care.
- 90 extra Aboriginal care workers to be recruited. This is a continuation of targets under the Building Pride through Communities Plan. ADHC reported that approximately 83 Aboriginal workers were recruited last year.

Disability Capital spending is \$79.3m in 2010-11 including:

- \$6m for relocation of people with disability in boarding houses;
- \$56.8m to continue to build or renovate accommodation facilities;
- \$9.2m to start new accommodation.

NCOSS remains concerned at the proposed redevelopment of large residential centres. Minister Primrose described this as devolution, but NCOSS contends it does not match the intentions of the NSW Disability Services Act 1993 or the Disability Advocacy Sector’s perception of small settings in the community.

NCOSS strongly advocates for person-centred services and looks to *Stronger Together 2* for a substantial acceleration of more individualised self-directed support funding and the provision of localised, small and responsive supported accommodation for people with disability.

The NSW share of National Disability Agreement NDA spending is 81.3% or \$1.5b; making a total NDS spend in NSW over \$1.8b.

- The NDA has bilateral agreements with specific service targets with each state and territory. In reviewing the NSW targets for the third year of the 4 year Agreement, NCOSS assumes that the NSW service targets for intensive in-home support and supported accommodation have been met. This is extremely difficult to track given the generalised cumulated information in the Budget papers and NDA reporting.

Additional to *Stronger Together*, new disability funding of \$2m has been allocated for additional support and early intervention for children and families with Autism. AHDC reports that announcements about this new funding will be made shortly.

Last year, \$17m was allocated to NDS NSW in partnership with ADHC for a Disability Industry Development Fund. After intensive consultations in 2009, ADHC announced that the Report will be released shortly.

### **Programs of Appliances for Disabled People (PADP)**

NSW Health funding up \$4m recurrent. The NCOSS and PADP Community Alliance called for an increase of \$24.4m in 2010-11 with planned additional growth over five years.

This new PADP funding is a small increase. NCOSS and the PADP Alliance are still awaiting the promised consultation document on eligibility and fees from EnableNSW in advance of substantial investment in equipment and assistive technology for people with disability.

Other investments from NSW Health include:

- \$0.5m to establish the Centre for Developmental Disability Medicine to support the health needs of people with intellectual disability.
- Treatment funding \$1.1m for complex epilepsy and \$1m for spinal cord injuries.

NCOSS warmly welcomes the development of new Centre for Developmental Disability Medicine by NSW Health and its small investments in treatments for complex epilepsy and spinal cord injuries.

### **Older People and Carers**

#### Ageing Program

Funding has been maintained at \$6m, which equates to a cut in real terms. NCOSS PBS called for \$4.93m for *Towards 2030* priorities and improved access for Aboriginal people to the Seniors Card benefits.

NCOSS is dismayed that the Ageing Program has again been overlooked at a time when the COAG decision to split HACC creates an even more critical emphasis on responding to the needs of an ageing population outside the provision of aged care, an important but relatively small part of responding to the needs of older people in NSW.

## HACC Program

Funding is up \$38.9m (6.6%) to \$653.8m in 2010-11. NCOSS PBS called for NSW to spend \$48m (a 20% increase) in 2010-11. NCOSS estimates that the NSW state budget allocated \$15.5m.

This increase, subject to the usual Commonwealth agreement, is slightly smaller than last year at 7.4% but largely consistent. Sadly, the needs of older people, people with disability and their carers are not on hold and in fact continue to grow while the COAG implications are considered and implemented.

2010-11 Highlights will be:

- Second stage of the capital strategy for dementia day facilities;
- Increases to centre-based day care and community transport;
- Restorative / independence approach;
- HACC Capital Strategy extended \$8.55m.

The HACC highlights are not substantially different from last year, going forward with business as usual during the current uncertainty about the implications of the COAG decision. While not obvious in the budget papers or the briefing sheets, NCOSS understands that Mr Moore cited a target of 40.9% service expansion in HACC to respond to Aboriginal and Torres Strait Islander communities and people from culturally and linguistically diverse backgrounds.

## COAG HACC Split

- Last Triennial Plan, ends 30 June 2011. HACC split effective 1 July 2012.
- No substantial change to HACC service provision before June 2015.
- Plans to expand the NSW Hunter Access Point Project will not proceed.
- Led by ACS, a partnership with key peak bodies will advise on transitions.

The third year of the current HACC Triennial Plan will conclude in June 2011. ADHC has rightly put several broad reaching state HACC initiatives on hold until further negotiations with the Commonwealth determine actual implications to service provision. A major workforce development project will go ahead but the expansion of the Hunter HACC Access Point will not proceed. Jim Moore however said he hopes to build on and protect the “fantastic grass roots work by the HACC sector”.

- Home Care Service NSW funding increases to \$220.5m, up 6.5% or \$13.4m. This maintains 3.9 million hours Home Care services at 2009-10 levels. Due to COAG HACC split, the Home Care Service will not grow until Commonwealth/State negotiations are completed regarding the COAG split. HACC growth will be concentrated in the NGO sector.

After a budget overrun of around \$6m in 2010-11, the Home Care Service has received a funding increase. While NCOSS concurs that not growing the Home Care Service is judicious, there are concerns that Home Care Service NSW is often the only government body operating in small rural and regional locations and that Aboriginal Home Care is a major provider to the Aboriginal community in NSW.

### **Community Services**

The Community Services budget increases to \$1.67 billion in 2010-11, an increase of \$107m (or 3.75% in real terms on 2009-10 budget). While this is a smaller increase compared to last year it represents a substantial investment from the NSW Government.

The increases are in the major program areas of Community Services, Prevention and Early Intervention and Out of Home Care. The Statutory Child Protection area appears to fall slightly but this represents a shift in program from Statutory Child Protection to Community Services.

Major Program Area	2009-10 Budget (\$m)	2009-10 Revised (\$m)	2010-11 Budget (\$m)
Community Services	193.1	195.2	244.3
Prevention & Early Intervention	321.0	316.6	337.7
Statutory Child Protection	421.5	409.6	408.8
Out-of-Home Care	628.3	648.8	680.1

The substantial increase in the Community Services major program area reflects a transfer of around \$29m of the former Community Services Grants Program out of Statutory Child Protection into Community Services. In addition to the \$29m being transferred the Government has finally agreed to an additional \$10m for community strengthening and will go to the newly created Community Builders Program.

The transfer of \$29m also resulted in the appearance of a fall in Statutory Child Protection; however, there has actually been an increase of around \$28m in Statutory Child Protection in comparison to the revised 2009-10 expenditure. This increase includes \$4.5m additional funding (previously announced under *Keep Them Safe*) for parenting skills, general advice and support programs. This is likely to go to Family Support Services and other organisations funded under the former Community Services Grants Program.

In total, the former Community Services Grants Program will receive an additional \$14.5m in 2010-11 compared to 2009-10.

The increase in Prevention and Early Intervention reflects \$8m extra in the Brighter Futures budget and an additional \$12.4m in the Children's Services budget (including \$5.3m for preschools and \$6.4m for new Indigenous Child and Family Centres).

The Out-of-Home Care budget continues to spiral. The expenditure on Out-of-Home Care was \$20.5m over budget in 2009-10. The Government has allocated an additional \$31.3m on the projected 2009-10 expenditure. This means that the Out-of-Home Care budget has risen by

over \$50m between 2009-10 and 2010-11. This includes a \$28m increase in Foster care allowances and associated expenses. None of the additional money is projected to go to non-government Out-of-Home Care service providers. The budget for non-government Out-of-Home Care providers in 2009-10 was \$242.9m but the actual expenditure is expected to be \$278.8m. Only \$264.2m has been allocated to non-government Out-of-Home Care providers in 2010-11 – a fall in funding of \$14.6m.

### **Keep Them Safe**

This year the Government has allocated \$105.2m to continue the implementation of the reforms to the child protection system. This includes money allocated to Health, Education & Training and Police for Child Wellbeing Units, Family Referral Services and some early intervention services all previously announced. The Community Services *Keep Them Safe* budget includes \$8m for Brighter Futures and \$4.5m for parenting skills, general advice and support programs, both mentioned earlier. There is also \$3.7m for intensive family based services for Aboriginal families. Further details of the Keep Them Safe budget will be provided as these become available.

### **Housing NSW and Aboriginal Housing Office**

#### **Overall**

The overall budget for the Housing Policy & Assistance program in Housing NSW is \$1,564.4m. This is substantially less than the budget for 2009-10, reflects the winding down of the Commonwealth's Stimulus Package (NBESP), which peaked in 2009-10, and the end of the Social Housing NP.

As the table below demonstrates, the allocation for 2010-11 is still substantially larger than the budget for 2008-09.

<b>Program/Component</b>	<b>2008-09 (\$m)</b>	<b>2009-10 (\$m)</b>	<b>2010-11 (\$m)</b>
Long Term Housing Supply	391.2	1,651.5	876.3
Asset Management	367.0	656.5	455.6
Crisis Accommodation Program	13.9	15.5	NA
Other Housing Programs	122.8	241.5	232.5
<b>TOTAL</b>	<b>894.9</b>	<b>2,549.5</b>	<b>1,564.4</b>

It is pleasing to note that the Housing Policy and Assistance Program allocation to the Aboriginal Housing Office (AHO) has increased substantially, from \$49.44 m in 2009-10 to \$87.49 m in 2010-11. The scale of the unmet needs facing the AHO is, however, vast.

## Long Term Housing Supply

The long term housing supply element of the Program basically encompasses new supply. The 2010-11 allocation includes:

- \$538.3m to complete approximately 4,690 dwellings under the Stimulus Plan, 90% of which will be allocated to community housing providers, with title.
- Completion of all outstanding Social Housing NP projects, rolled over from 2009-10. All these projects involve community housing providers.
- \$243m for business as usual construction activity under the National Affordable Housing Agreement (NAHA) or from proceeds of sales.

In addition the budget papers refer to an allocation of \$72.5m over 10 years for subsidies for affordable housing projects under the National Rental Affordability Scheme (NRAS). This is the first time a long term allocation for NRAS has appeared in the Budget papers but we are awaiting clarification of how the \$72.5m figure was calculated. Housing says it expects 590 NRAS new dwellings to come online in 2010-11, consisting of 72 funded under NRAS A and 518 funded under NRAS B.

Housing says that a further 1,500 dwellings will be transferred from public to community housing under the stock transfer program. While stock transfer does not add to the overall supply of social housing, it contributes to the NSW Government's policy of growing the community housing sector to 30,000 dwellings.

Unfortunately Housing's budget commentary does not include a supply forecast for 2010-11 in the standard format that has been provided in recent years. We will be seeking to obtain this information from Housing.

NCOSS remains concerned that there is no earmarked social housing expansion program to kick in once the Stimulus Package has been finalised (see 'After the stimulus: where will new social housing come from?', *NCOSS News*, June 2010 p.1). The sector will be strongly campaigning on this in the forthcoming federal and state elections.

## Asset Management

The asset management element of the Program covers upgrades, repairs and maintenance, and redevelopments. The allocation for these is reduced from 2009-10, reflecting end of Commonwealth funding and bringing forward of state-funded maintenance activity during the global financial crisis.

The budget includes \$24m for works on Building Stronger Communities estates, \$15.5m for tree planting projects and \$5.3m for energy efficiency upgrades. The energy efficiency upgrades will provide 2,000 new solar hot water systems, to replace outdated electric hot water systems, and ceiling insulation in 300 dwellings, as part of a 5 year program funded via the Climate Change Fund.

Major public housing estate redevelopments are continuing in Minto and Bonnyrigg, and is about to commence in Airds, Telopea (\$30.3m allocated in 2010-11) and Glebe (\$6m allocated in 2010-11). On the eve of the budget the Commonwealth announced funding to kick start redevelopment planning in Claymore and Redfern Waterloo, amongst other estates.

### **Other Housing Programs**

This element of the Program includes a range of private rental products, tenant participation and community development projects, and other new products and services.

The budget includes provision for the full roll out of Start Safely to provide private rental subsidies to 450 households fleeing domestic violence, building on the pilot projects established last year, as well as \$34m for RentStart (including \$10.9m for Temporary Accommodation) and \$16.7m for the Special Assistance Subsidy program for people with a disability and people living with HIV/AIDS.

### **Stamp Duty Relief**

A headline aspect of the budget was a stamp duty relief measure designed to stimulate the construction of new 'off the plan' residential housing. Called the Home Builder's Bonus, this will cost \$140 m over 2 years to waive stamp duty on new 'off the plan' dwellings valued at less than \$600,000. It is a housing-related measure in the Treasury portfolio.

While a number of groups have responded positively to the element of the Bonus that is designed to encourage older home owners to trade down to a smaller new dwelling, NCOSS considers that the general component of the Home Builder's Bonus is poorly targeted and unlikely to be cost effective. We would have preferred that the funds were used to stimulate new affordable housing projects under NRAS.

### ***Homelessness***

It is currently not possible to obtain a consolidated whole of government budget for NSW Government programs and services for homeless people. To our knowledge there are programs and projects in Community Services, Housing, Ageing Disability and Home Care, Juvenile Justice (all parts of the Department of Human Services), NSW Health, and in Corrective Services and Legal Aid (both parts of the Department of Justice and Attorney General).

NCOSS has requested an outline of the 2010-11 budget for the Homelessness Action Plan, funded under the Homelessness NP, by government agency and project. We expect to receive this after the Commonwealth Minister for Housing, Tanya Plibersek, approves the year 2 projects for NSW under the Homelessness NP.

The Supported Accommodation Assistance Program, administered by Community Services, gets \$127.1m in 2010-11, compared to \$124.3m in 2009-10. Individual services will receive indexation of 2.5%. NCOSS welcomes the fact that the NSW Government has topped up the Commonwealth funding under NAHA, which is only indexed by 1.9%, in order to provide SAAP services with the same level of indexation as other funded NGOs.

The Housing budget includes capital funding of \$15.5m towards the construction of the Camperdown Common Ground project. The project provides 104 dwellings, half of which will be allocated to former rough sleepers with the other half being affordable housing. Housing says its contribution is for 62 of the dwellings. Mission Australia Housing has been selected to manage the property once it has been built.

### **Juvenile Justice**

The Juvenile Justice budget increases to \$186.1m in 2010-11, an increase of \$13.8m (or 4.77% in real terms on 2009-10 budget). However, Juvenile Justice is expected to overspend the 2009-10 budget by \$4.3m. The increase on the revised expenditure is \$9.5 million (or around 2.1%).

In 2009-10 Juvenile Justice spent more \$118m on custodial services but the 2010-11 budget has fallen slightly to 116.3m. This is despite a projected increase in the average daily number of young people in custody increasing from 442 to 490. \$1.8m has been allocated for the 10 bed pre-release unit at Reiby Juvenile Justice Centre.

In 2010-11 Juvenile Justice has been allocated a budget of \$69.8m in non-custodial services up from the projected expenditure of \$58.7m. Juvenile Justice underspent its 2009-10 non-custodial services budget by around \$5.7m. This increase includes an additional \$1.8m for Youth Justice Conferencing bringing the budget up to around \$8.1m (or an increase of 25% in real terms). The number of Youth Justice Conferences facilitated is expected to increase from 1,610 to 2,000.

The Government has allocated \$1.6m for the Bail Hotline for juveniles being held by the police. Further, NCOSS expects that the associated bail services will be forthcoming in 2010-11 despite there being no successful expressions of interest.

Juvenile Justice's Community Funding Program has increased to almost \$6.8m in 2010-11 (see *table*). The substantial change in the Local Offender Program and Education and Skills Program reflect a shift of one funded project from Education and Skills to Local Offender.

<b>CommunityFunding Program</b>	<b>2009-10 Budget (\$m)</b>	<b>2010-11 Budget (\$m)</b>
Alcohol & Other Drugs	2,439.5	2,500.5
Accommodation	1,205.2	1,635.4
Post Release Program	1,520.3	1,558.2
Local Offender Program	480.7	565.7
Education & Skills Program	566.7	507.9
<b>Total</b>	<b>6,212.4</b>	<b>6,767.7</b>

## Department of Education and Training

Expenditure on the education portfolio represents 19.5% of all Budget expenses. While there were increases in the year on year figures, taking into account inflation these increases reflect real cuts for Government schools and TAFE.

- Increases in Budget (year on year figures)
  - Government preschools – 1.6%
  - Government primary schools – 1.6%
  - Government secondary schools – 0.7%
  - Non government schools – 4.3%
  - TAFE – 2.8%
  - VET – 45% for Government schools and TAFE

This is extremely disappointing given the focus on job creation in the Budget and the importance of education and training in such efforts.

The Budget also highlights the significant funding received from the Commonwealth Government through National Partnership (NP) agreements:-

- \$240m for school education (Low SES School Communities, Literacy and Numeracy and Teacher Quality NPs).
- \$192m as part of the Productivity Places NP.

The Budget papers also show improved results for Aboriginal students in reading and numeracy although there remain significant gaps in achievement with other students.

## NSW Health

### *Overview*

The Budget focus is on hospital beds and infrastructure.

- No real funding growth for Population Health Services or Primary and Community Based Health Services.
- Key budget drivers:
  - Meet on-going cost and demand pressures
  - Implement existing initiatives, including *Caring Together* and *Keep Them Safe*
  - New COAG National Partnership Agreements and NHHN
- Total health budget in 2010-11 is \$16.4 billion.

- Recurrent expenses are \$15.5 billion, a 6.8% increase on the 2009-10 Budget. Based on the 2009-10 revised Budget and considering inflation, the real increase in health services expenditure is 3.8%.
- Capital expenditure is budgeted to increase by more than half to \$918m. This represents a real increase of 37% based on the 2009-10 revised Budget and considering inflation.

### ***Key budget initiatives***

- Increase capacity in hospital and health services for Emergency Services, Acute In-patient services, and Rehabilitation and Extended Care Services (\$754m additional).
- Enhance mental health services (\$60.5m additional, or \$1,231m total).
- Expand existing State-wide services (\$47.8m additional), including Rural Health Plan (\$10.8m), ICU beds (\$8.4m), bone marrow transplant services (\$5.8m), radiotherapy services (\$5.1m), and PADP (\$4m).
- Increase investment in *Caring Together*, including \$3.5m to instil patient-centred cultural change throughout the NSW Health system (\$125m total).
- Additional investment on *Keep Them Safe* (\$8.6m additional).
- Other service enhancements: Joint Investigation Response Teams (\$2.3m), dementia care community nurses(\$1.2m), and a new Centre for Developmental Disability Medicine (\$500,000).
- Continued development and roll-out of Electronic Medical Records (\$76.4m).

### ***Early Intervention & Prevention***

- Keep Them Safe - *additional \$8.6m, including:*
  - Two additional Sustained Health Home Visiting programs and a new Schools-based early intervention program for children with disruptive behaviours (\$4.6m);
  - Continue implementation of the Family Referral Services (\$2m);
  - Mental Health and Drug and Alcohol Whole Family Teams (\$2m).
- Stronger Foundations for Aboriginal Children, Families and Communities (\$1.7m).
- Extend the roll out of childhood obesity programs, including Live Life Well@School and Munch and Move.
- Extend the roll out of the Go4Fun Parenting Program (\$1.1m).
- Extend the Live Life Well Prevent Diabetes Program (\$1.2m).

### **Primary Health and NGOs**

- Recurrent expenditure on Population Health Services in 2010-11 is \$528m, a 3.3% increase on the 2009-10 Budget. However, allowing for inflation, there is no real funding growth based on the 2009-10 revised budget.
- Recurrent expenditure on Primary and Community Based Health Services is \$1.2 billion. This is a 3.4% increase on the 2009-10 Budget, but considering inflation only represents a real funding increase 0.2% on the 2009-10 revised budget.
- Grant funding for the Health NGO Program will increase by 2.5%. This represents a 0.75% decrease in real funding considering inflation. The total recurrent expenditure is not known, as the account line "Voluntary Organisations" listed in the 2009-10 Budget Papers has been replaced by a broader category "Grants and subsidies" that is too broad to identify the component of NGO funding.

### **Mental Health**

- Recurrent expenditure on mental health services in 2010-11 is \$1.2 billion, a 5.2% increase on the 2009-10 Budget, and a real increase of 3.3% on the 2009-10 revised budget.
- The capital budget for 2010-11 has more than doubled on the previous year to \$51.9m, due to hospital redevelopments, cyclic maintenance and mental health projects.
- While the majority of growth funding is for services provided by AHSs, there is **some** additional funding for community-based mental health programs, including \$7.3 **million** under the National Mental Health Plan and \$4.4 million to expand the Aboriginal Housing and Accommodation Support Initiative.

### **Aboriginal Health**

- Recurrent expenditure on Aboriginal Health services in 2010-11 is \$95.4m. This is a 2.5% increase on the 2009-10 Budget, but represents a real funding increase of 4.7% on the 2009-10 revised budget considering inflation.
- The larger increase in real funding in 2010-11 is due to a 5% underspend in the 2009-10 budget. The reason for this variation is not known.

### **Oral Health**

- NSW Centre for Oral Health Strategy has advised the ADA NSW that the Oral Health Budget for 2010-11 will only increase by CPI (3.25%) plus \$6 million over four years for the NPA Aboriginal Oral Health Closing the Gap funding.
- In the past 18 months, NSW received more than \$654m through the Medicare Chronic Disease Dental Scheme and \$40.6m from the Medicare Teen Dental Scheme, both funded by the Commonwealth.

## ***NCOSS Budget Priorities (NSW Election 2011 and PBS Recommendations)***

- NCOSS PBS 2010-11: Public dental services (\$193.86m in 2009-10); funding for Health NGOs (\$17.7m recurrent increase); transport for health services (\$10.4m recurrent); smoking cessation support programs (\$2m per annum); and Pregnancy Options and Counselling Service (\$391,598 recurrent).
- There are no real funding increases for public dental services or Health NGOs.
- NCOSS has requested details on the budget for health transport from NSW Health.
- In the absence of specific policy announcements and given there will be no real increase in funding for Primary and Community Based Services, we can generally presume that there is no new funding for Smoking Cessation Support programs or Pregnancy Options and Counselling services.

## **Department of Transport and Infrastructure**

### ***Transport NSW***

This is the first budget to incorporate all other transport agencies, apart from Ports, therefore the overall budget of \$9,033,264m cannot be compared to 2009-10 as the structure of the agency is different.

Capital expenditure \$334,502m a 50% increase on the 2009-10 budget and a 7% increase on the 2009-10 revised budget.

300 growth buses (previously announced) have been accelerated so all these buses will be delivered by June 2010. They will be spread over the state but the majority will be in North-West Sydney. There will be 506 new buses in total.

Regional Transport Plans will be funded but there is no indication to what extent in the budget. The central coast transport plan is currently underway.

\$17.5m for passenger information systems, for such things as signage, announcements, etc.

\$49.5m for the development of an electronic ticketing system for all public transport operators in greater Sydney based on the London Oyster Card – fares are deducted from a prepaid account (that is the card is swiped after each trip and the cost of the trip is deducted from the card. You can then top-up the card as needed). This will be rolled out from 2012.

\$6m to upgrade and improve the existing 131500 website

### ***Metropolitan Transport Plan***

There is \$50.2b committed to the 10 year Metropolitan Transport Plan. In 2010-2011:

- \$30m for design and planning of the Western Express Rail Service.
- \$278m to continue the South West Rail Link.
- \$55m for construction on the Light Rail Extension.
- \$145m for 200 new growth buses.
- \$77.6m for 100 new bendy buses.
- \$271m for 74 Outer Suburban Carriages and works to roll out first of the Waratah fleet.
- Also funding for cycle ways and commuter car parks.

### ***Easy Access Program***

There is \$27.4m for the Easy Access Program to make stations accessible to people with mobility difficulties. In 10-11:

- Burwood - \$2.6m;
- Central - \$5.5m;
- Martin Place - \$2.5m;
- Picton - \$5.2m;
- St James - \$2.5m;
- Project Development (new sites) - \$8.9m.

### ***Community Transport***

\$3,948m in 2010-11 a 2.5% increase on 2009-10 (\$3,852m) for community transport program services for transport disadvantaged people, well below the Coalition election commitment to increase this program to \$12m (Advocated for in both the *2010-2011 PBS* and *Fairness in NSW*).

HACC funded community transport for frail aged and young people with disability and their carers – \$39,140m in 2010-11 a 7.9% increase on 2009-10 (\$36,287m).

Media Releases on budget day provide some breakdown of where community transport money is being spent:

- Central Coast - \$2.54m;
- Hunter - \$2.36m;
- Illawarra - over \$1 m;
- Western Sydney - \$10m;
- St George/Sutherland - \$4.36m.

### ***Transport for Health and the Isolated Patients Transport and Accommodation Assistance Scheme***

NSW Health fund Transport for Health (TFH) and the Isolated Patients Transport and Accommodation Assistance Scheme (IPTAAS). The total budget for combined budget for both programs is \$17.7m, IPTAAS is \$12.8m and TFH is \$4.9m. This is a 9% increase in IPTAAS budget (11.7m in 2009-10 and 12.8m in 2010-11), but nearly a 11% decrease in the TFH budget (\$5.5m in 2009-10 and \$4.9m in 2010-11). At the budget briefing, Health indicated that the change may have something to do with the changes in eligibility criteria and the allocation of funds through Caring Together. This is still being clarified.

### ***Taxi Transport Subsidy Scheme***

This scheme subsidises the cost of taxi transport for people with disabilities. It is funded at \$25,756m in 2010-11 a .5% increase on 2009-10.

This is split so that outside the Sydney region \$5.9m is spent on subsidies and inside the Sydney region \$19.8m is spent.

There is also \$24.8m for the Private Vehicle Conveyance Scheme which subsidises the cost of parents driving their children to school in remote areas where there is no public transport

In the 2010-11 PBS NCOSS asked for funding to finally implement the Community Kilometres program and increase funding to improve transport services for Aboriginal people.

In *Fairness in NSW* NCOSS sought a simpler framework for transport concessions. There was some reduction in concessions under MyZone but these still remain complex. NCOSS also argued for integrated fares and ticketing again achieved to some extent through MYZone and the announced improvements to the 131500 website. There now needs to be a commitment to roll these out across the whole of NSW.

## **Department of Premier and Cabinet**

### ***Office for Women's Policy***

It is difficult to analyse the budget for this section. In last year's budget there was a budget line for the DV program with a 2009-10 budget of \$2.9m. However in the 2010-11 budget the program is no longer identified and instead there is a budget line called Grants and Subsidies. This budget line shows a 2009-10 budget of \$765,000, a revised budget of \$15,074m and then a budget for 2010-11 of \$2.9m (which implies it is the DV program). Clarification is being sought from the P&C about this.

## **Industry and Investment – Energy**

This part of the former Department of Water and Energy is responsible for the allocation of energy rebates and support programs provided by the NSW Government. It has responsibility for the implementation of the Government's Customer Assistance Policy.

In 2010-11, the NSW Government has allocated \$171.5m to cover:

- An increase in the Energy Rebate from \$130 per annum to \$145 per annum;
- an extension of the Energy Rebate to all health care card holders;
- an increase in funding for the Energy Accounts Payment Assistance scheme; and
- the life support and the medical energy rebates.

This represents an additional \$53.2m on these programs from 2009-10 expenditure. The 2009-10 budget will be underspent by approximately \$33.4m, reflecting the slower than expected implementation of the Customer Assistance Policy.