



NCOSS Analysis of the 2009-10 NSW State Budget 18 June 2009

Introduction

Government's commitment to sector sustainability

“Government is aware of the recent decision to increase award wages for workers in the community services sector. As part of the Government's commitment to jobs and services that support Queensland's most vulnerable citizens, the Government will provide significant additional funds of \$65 million in 2009–10 increasing to \$125 million recurrently in 2012–13 for allocation, on a prioritised basis, to State-funded services.

This is in recognition of the vital role these services play in realising the Government's vision of a safe and caring community for many dependent and vulnerable Queenslanders”

(Extract Queensland 2009/10 Budget Highlights, Department of Communities)

Economic situation

- Unemployment to rise from 5.75% to 7.75% (09/10) and 8.5% (10/11)
- Sydney CPI 1.75% (08/09), 2% (09/10) and 1.5% (10/11)
- Wage Price Index 3.75% (08/09), 3.5% (09/10), 3.25% (10/11)
- SACS Indexation for 09/10 2.42% (except SAAP which will be 2.4% and DADHC which will be 2.5%)

Better Services & Value Plan

- Maintain Government wages policy of 2.5% pa increase with any additional increase to be offset by employment related savings.
- Continue staffing freeze on non front line staff.
- Amalgamate 160 government agencies into 13:
 - Improved service delivery through integration
 - Reduction of red tape and savings through economies of scale
 - Improved budget outcomes as agencies resolve conflicting positions
 - Greater service innovation through improved policy advice capacity
- Establishes a Better Services & Value Taskforce:
 - To oversee strategic “value for money” reviews on ICT expenditure, asset utilisation and purchased services
 - Line by line expenditure audits of government agencies
- These sorts of reviews can often have significant unintended and/or negative consequences so it will be very important for the sector to closely monitor and seek to influence the outcomes.

Department of Aboriginal Affairs

- 10.9% decrease in Department's budget for 2009-10.
- Budget initiatives are to continue the delivery of *Two Ways Together*.
- The Department will lead the NSW implementation of the Indigenous Economic Participation and Remote Service Delivery National Partnership agreements (COAG).
- Other initiatives impacting on Aboriginal people contained in other Department's budgets.
- The Government has announced that from next year they will provide a comprehensive statement of spending on Aboriginal people and communities across agencies.

Attorney General's Department

Overview

- \$2.3m for initiatives under *Keep them Safe*
- Capital expenditure \$42m
- Budget 09-10: a 1.3% decrease on the revised budget of 08-09 .If indexation is taken into consideration then the reduction in funding is even more.
- NCOS PBS sought \$800,000 in 2009-10 to hold a community consultation and education campaign on a Charter of Human Rights for NSW.

Crime Prevention and Community Services

- Development of evidence based policies and programs to prevent crime and reduce re-offending, reduce Aboriginal involvement in criminal justice processes and to promote anti-discrimination and equal opportunity principles and policies. Also covers services to support victims of crime.
- Budget 2009-10: a 0.7% increase on the revised budget of 2008-09, however with indexation, this is a 1.7% reduction in funding.

Legal Aid Commission

- Expand Women's Domestic Violence Court assistance Program from 71 to 107 courts.
- Additional \$2.6m to expand the DVCAP and \$520,000 to provide legal assistance in relation to mortgage stress.
- NCOS PBS Recommendation: \$2.7m in 2009-10 for the Domestic Violence Court Assistance Program.
- Budget 2009-10 is a 3% increase on the 2008-09 budget, however a 9% decrease on the 2008-09 revised budget.
- Criminal Law Services - Budget 2009-10 a 12% decrease on the 2008-09 revised budget and a 3.3% decrease on the 2008-09 budget , but demand is projected to increase.
- Civil Law Services - Budget 2009-10 is a 2% increase on the 2008-09 revised budget. Can be speculated that the increase is indexation only.
- Community Partnerships - Budget 2009-10 is a 4% increase on the 2008-09 revised budget. Indexation is 2.42% therefore the actual increase is only 1.6%.

Department of Corrective Services

- *Keep them Safe*: two programs under this funding – *Mothering at a distance* and *Hey dad! for Indigenous dads, uncles and pops* program.
- \$6m for drug programs – detection, screening, detox and education for general and high risk offender groups and \$2m – continuation of drug court operations.
- \$129.7m for capital works including \$93.7m for the construction of 1000 inmate beds to increase capacity.
- Budget in 2009-10 is a 2.8% increase on the 2008-09 budget. However the 2009-10 budget is a 4.5% decrease on the revised 08-09 budget.
- Delivery of programs designed to reduce the risks of re-offending and provide support services to offenders to help them re-settle and integrate into the community - Budget in 2009-10 is a 14.75% increase on the 2008-09 budget. However it is a 6% decrease on the 2008-09 revised budget .
- NCOSS PBS Recommendations - \$5.6m for Bail Hostels; \$2.6m recurrent to increase existing post-release programs and \$1.3m to expand post-release programs; \$2.6m for rehabilitation services.
- Without getting details of funding for programs it is difficult to determine if any of the increases in funding are for these types of programs, however we can generally presume that as there has been no specific indication of increases to these programs the PBS recommendations were unsuccessful.

Department of Ageing, Disability and Home Care

Overview

- Department Budget 2009-10 rises to \$2.3 billion, an increase of \$238m (11.8%) on 2008-09.

Disability

- The fourth year of *Stronger Together* has been delivered in full. *Stronger Together* contains 5 years' spending measures & NCOSS looks to the Government for the second 5 year tranche. NCOSS called for an increase to the planned *Stronger Together* spending of \$55.6m for disability supports.
- 2009-10 Disability recurrent Highlights include:
 - 349 new supported accommodation places at \$45.8m
 - Attendant Care: \$23.5m for 319 places
 - Flexible Respite increased by \$17.2m for 800 places
 - \$10.6m for up to 1000 new post school places
 - \$3m for 600 intensive support packages
 - \$5.6m for the younger people in nursing homes program
- A new \$20m Disability Industry Development/Futures Fund, to be jointly administered by DADHC and National Disability Services NSW, to provide ongoing capacity building

initiatives to providers, which will improve sector inefficiencies, reduce red tape and increase outcomes for people with disability and their families.

- Disability Capital spending will be \$145.4m (up 26%) in 2009-10 including:
 - \$60m for accommodation facilities for existing clients
 - \$24.3m redevelop Peat Island facility
 - \$19.2m for accommodation for new clients
 - \$10.8m upgrades for DADHC supported accommodation
 - \$10m for older carers program
 - \$6.2m develop Lachlan as a centre for people with challenging behaviours
 - \$10.8m for DADHC minor works and pre-planning
- Commonwealth contribution to National Disability Agreement (replacing CSTDA) spending will rise to 17.6%.

Programs of Appliances for Disabled People (PADP)

- This NSW Health Program has increased by \$5m recurrent. NCOSS & The PADP Community Alliance called for an increase of \$24.4m in 09-10 with planned additional growth over five years.

Older people and Carers

- *Ageing Program: funding is maintained at \$5.9m. Concerns that the Office for Ageing has been placed under the Communities cluster rather than Human Services. Minister confident this will be changed shortly. NCOSS called for an increase of \$4.54m for Towards 2030 priorities and improved access for Aboriginal people to the Seniors Card benefits.*
- HACC Program is up \$54m (7.4%) to \$609.8m in 2009-10. This comprises \$40.7m to DADHC and \$14m directly to Health, subject to a formal Commonwealth offer. NCOSS called for a state contribution of \$44.7m (20% increase) in 2009-10, NSW state budget allocated \$16m.
- 2009-10 Highlights will be:
 - Second stage of the capital strategy for dementia day facilities
 - Acquisition of 2 final years Triennial plan priorities in 2009-10
 - Restorative / independence approach
 - Common arrangements strategies
- Home Care Service NSW increases by 1.6% or \$2.7m. This is effectively a cut in real terms, after a budget overrun last year of \$14m. The slight drop in delivered hours was explained by problems in recruiting.

Department of Environment and Climate Change

- ***Climate Change Fund:***
 - \$74 million in 2008-09 (\$98 after the mini-budget)
 - \$208 million in 2009-10.
- \$15.3 million in 2009-10 for Energy audits and energy saving kits for low income households.

Department of Water and Energy

- \$272 million (over five years) for the customer protection package:
 - Pensioner Energy Rebate increases from \$112 per annum to \$130 p.a.
 - An extension of the rebate to more health care card holders.
 - An increase in funding for the Energy Accounts Payment Assistance scheme
 - A customer assistance package yet to be announced.

Department of Community Services

- DoCS 2009-10 Budget rises to \$1.6 billion, an increase of \$216m (16.3%) on 2008-09 budget.
- No increase for CSGP, AAS or Families NSW
- Main rises are in the major programs areas of:
 - Prevention and Early Intervention (21.9%)
 - Child Protection (6.3%)
 - Out of Home care (27.0%)
- Keep Them Safe (\$96 million in 2009-10):
 - More places for children in out-of-home care;
 - Intensive help for Aboriginal families;
 - Trial for a new model for keeping children in Aboriginal families safe;
 - Expansion of the Brighter Futures;
 - Integrated case management; and
 - Other prevention and early intervention services.

Department of Juvenile Justice

- \$2.34 million for a Bail Hotline for juveniles being held by the police.
- \$1.93 million to establish a pre-release unit at Reiby Juvenile Justice Centre.

Department of Education and Training

- Investment reflects National Partnership Agreements and COAG decisions:
 - Low Socioeconomic Status School Communities - \$120 million (combined NSW & Commonwealth) in 2009-10
 - Literacy and Numeracy \$44 million (combined NSW & Commonwealth) in 2009-10
- \$24.6 million for Keep Them Safe initiatives – Home School and Aboriginal Liaison Officers, OOHC coordinators and a Wellbeing Unit.
- Up to \$100 million to implement raised school leaving age – focus is on more classrooms and teachers. NCOSS, while supporting the raised school leaving age has called for programs to work with students and their families from an early stage to

- improve retention rates
- Significant funding for building projects, technology upgrades and maintenance.

Housing NSW

- The total overall Housing budget for 2009-10 of around \$3.5 billion. Our analysis is restricted to the Housing Policy and Assistance Program, which increases from \$894.9 million in 2008-09 to \$2,549.5 million in 2009-10.
- The biggest increase is on the capital side as follows:
 - Long Term Social Housing Supply: up from \$391.1 million to \$1,636 million
 - Social Housing Asset Management: up from \$367 million to \$656.5 million
 - Crisis Accommodation Program: up from \$13.9 million to \$15.5 million
 - Other programs: up from \$122.8 million to \$241.5 million

Long Term Social Housing Supply

- Includes business as usual activity under the National Affordable Housing Agreement plus additional investment under:
 - Nation Building Economic Stimulus Plan
 - National Partnership Agreement on Social Housing.
 - Contribution from National Partnership Agreement on Remote Indigenous Housing not included at this stage, pending agreement with the Commonwealth on the required implementation plan.
- There will be *6,500 extra dwellings under the Economic Stimulus Plan*, as follows:
 - 850 by April 2010,
 - Another 4,025 by September 2010, and
 - A further 1,625 by March 2011.
- Delivered by a mixture of redevelopment of sites owned by Housing NSW, and acquisitions from the private sector.
- The vast majority of new dwellings to go to community housing providers.
- A further *580-600 new dwellings under the Social Housing NP*, all of which will go to community housing providers.

Assessment: A very significant down payment towards the Five Year Plan to expand the provision of affordable rental housing, advocated by NCOSS in its Pre Budget Submission. However, the Social Housing NP funding ends in 2009-10 and the stimulus package funding in 2011-12. Sustained investment by the Commonwealth and NSW Governments required over the medium term.

Social Housing Asset Management

- Includes substantially increased spending on repairs and maintenance to address the maintenance backlog, including some funding under the Stimulus Plan.
- Also includes modifications to make dwellings more accessible.

Other programs:

- *Homelessness:*
 - NSW Homelessness Action Plan still to come: total funding of \$283.9 million over 5 years, including *A Place To Call Home*. Will be across portfolios.
- *Keep Them Safe:*
 - Housing NSW contribution, including a Child Wellbeing Unit, \$2.6 million over four years.
- *Safe Start rental program for women escaping DV:*
 - New private rental subsidy scheme for women and children escaping from domestic violence. Initial funding of \$4 million in 2009-10 to assist 370 households as part of four year \$16 million plan to assist 1650 households.
- *National Rental Affordability Scheme:*
 - Large number of subsidies available to complete establishment phase of NRAS. (Housing is clarifying number).
 - However no further NRAS A subsidies available from the Affordable Housing Innovations Fund as funds are all committed. **NCOSS had sought \$20 million in 2009-10 and \$100 million over 5 years.**
 - Instead the Government has allocated \$64 million to give stamp duty relief for new housing built in the next 6 months, which will do nothing to increase access to affordable housing.
- *Housing and Human Services Accord:*
 - No action on NCOSS request for a \$30 million fund to expand the provision of joined up (housing plus support) service delivery under the Accord.

NSW Health

Overview

- Difficult to determine the NSW Government expenditure on the Health budget as extensive income from COAG Reforms including National Healthcare Agreement and National Partnership Payments
- Mostly funding to acute services in response to Garling,
- \$2.3m for IPTAAS but we don't know if this is in addition to current funding or just a statement about existing funding
- \$9.4m for the National E-Health Transition Authority
- Capital \$602.9m in 09-10
- Budget in 09-10 is a 10% increase on the 08-09 budget and a 5% increase on the 08-09 revised budget. This is one of the few agencies where spending above previous Budget has not been reined in in the 2009-10 budget.

Primary Health and NGOs

- Population Health budget in 2009-10 is a 30% increase in funding on the 2008-09 budget but a 14.5% decrease on the revised budget
- In 2009-10 the budget for Primary and Community Health is a 9% increase on the 2008-09 budget, which shows an increasing commitment to such an important and essential part of the health system
- Voluntary Organisations – NGOs are funded under this account line but it also includes other types of services. In 2009-10 the budget is \$118,976 a 0.04% decrease on the 2008-09 budget (\$119,027). It should also be noted that the 2008-09 budget was underspent by 5.9% (\$112,416). This may reflect the savings sought through the mini budget. We are still seeking the actual amount for NGOs from NSW Health.

Mental Health and Aboriginal Health

- 4th year of “A New Direction in Mental Health” providing an additional \$12m (including \$10m in community mental health)
 - \$2.3m to enhance specialist mental health services for older people
 - \$2.9m to expand 24hr community mental health emergency care
 - \$3.6m to expand mental health rehabilitation in the community
 - \$3.8m for Aboriginal Housing and Accommodation Support Initiative
- The budget for mental health in 2009-10 is a 7% increase on the 2008-09 budget.
- Aboriginal Health: 2009-10 is the 2nd year of funding for the Building Strong Foundations for Aboriginal Children, Families and Communities Program, which will be increased from \$2.7m in 2008-09 to \$5.5m in 2009-10.
- The budget for Aboriginal Health in 2009-10 is a 45% increase on the 2008-09 budget.

Oral Health

- In the budget papers:
 - wanting to provide 1.3M occasions of service (1000 more than last year)
 - \$1.1M to Orange Base Hospital for dental services
 - no other obvious new funding
- ADA (NSW) thinks that the 2009-10 oral health budget will be last year's figure (\$154 million) + CPI + \$4 million (the last of the \$40 million over four years that was announced in 2006-07).
- So while there is no actual dollar figure publicly available, it is reasonable to assume the budget will be in the vicinity of \$161 million if the above is correct. NCOSS had sought \$193.86m in 2009-10 for public dental services;
- We will be asking NSW Health to clarify this information.

NCOSS PBS Recommendations

- \$391,598 recurrent for Pregnancy Options and Counselling Service; \$2m per annum for smoking cessation support programs; \$193.86m in 2009-10 for public dental services; \$17.7m recurrent increase to funding for Health NGOs and \$10.4m recurrent for

transport for health services.

- Without getting details of funding for programs it is difficult to determine if any of the increases in funding are for these types of programs, however we can generally presume that as there has been no specific indication of increases to these programs the PBS recommendations were unsuccessful

Ministry of Transport

The emphasis has been in two areas:

- 68% increase in infrastructure: buses, trains, Metro.
- Creation of Transport 'Super Department'.

Social inclusion initiatives

- \$2m Electronic Payment System for the Taxi Subsidy
- Increase of 2.6% (4.6%) for HACC Transport

Extended concessions to rural areas

- CountryLink: \$1 child, pensioner travel
- Regional Excursion Ticket
- School Students remains the same: 665,900 @ \$800, \$537m
- Slight fall in budget overall for Targeted "Transport Services"

Health related transport

- Increase to cancer patient transport in rural areas \$500k
- Increase in Ambulance staffing in Sydney
- \$180m Indigenous Health National Plan: Improving Patient Journeys
- An increase of \$2.3m for the Isolated Patient Travel and Accommodation Scheme (IPTAAS).

What's not there

- No increase to Community Transport Program
- No "Community Kilometres"
- No increase for Metro and Regional Transport Coordination projects for Aboriginal or other transport
- Easy Access needs to be increased
- Total focus on "journey to work" fails to recognise the need for transport for other purposes.

Department of Premier and Cabinet – Office for Women

- \$2.9m in 2009-2010 for the domestic violence program, a 0% increase on 2008-09. So in effect a cut as indexation is 2.4%. \$900,000 for projects aimed specifically at Aboriginal people.
- \$512,000 for the Violence against Women Unit. This was the same as in 2008-09.
- NCOSS sought additional funding for the development and implementation of a DV Framework in the PBS. The framework is still being developed.

Other

- Community Building Partnership
- \$300,000 per electorate for “community infrastructure” available to NGOs, community and sporting groups
- Additional \$100,000 for electorates with high unemployment
- Decisions made locally with input from relevant MP

State and Regional Development

- Western Sydney Employment Fund – 2 year program with \$4.4 million in 2009-10.
- Regional NSW Employment Fund – 2 year program with \$2.6 million in 2009-10.
- Building the Country Package - \$85 million over 5 years.