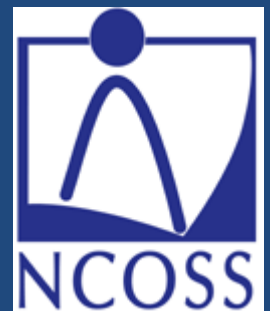


NSW BUDGET 2015/2016

NCOSS analysis of the NSW 2015/2016 Budget



About NCOSS

The Council of Social Service of New South Wales (NCOSS) is the peak body for the social and community services sector in New South Wales. NCOSS works with its membership on behalf of disadvantaged people and communities towards achieving social justice in New South Wales.

NCOSS was established in 1935 to promote cooperation in the provision of community services and influence social legislation. Today our constituents are:

- our members
- other peak community service agencies in NSW
- service providers
- other agencies working in the social policy and social services field
- individual members interested in social policy and social service issues
- disadvantaged and low income people and communities in NSW.

NCOSS provides an independent voice on welfare policy issues and social and economic reforms and is the major co-ordinator for non-government social and community services in NSW.

We act as a channel for consultation with government and between parts of the non-government sector with common interests and diverse functions.

NCOSS is a membership organisation. Members range from the smallest community services to the largest major welfare agencies, state and regional level peak councils, churches, hospitals, local government and consumer groups.

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Overview

While the NSW Government's 2015/16 Budget has a focus on fiscal strength and infrastructure spending, it also provides for a welcome expansion of a number of key social services.

While not included in the Budget figures, Government announcements have focussed on its *Rebuilding NSW* commitments, which will involve anticipated proceeds from the forthcoming sale of state-owned electricity assets to be used, for the most part, to fund infrastructure development.

Fiscally, the Budget provides for an underlying surplus of \$712.6m, or \$2.5 billion if changes to the management of transport assets are included. Revenue will grow by 4.8% to \$72.1 billion, while expenses will grow by 3.8% to \$69.6 billion. Net capital expenses will increase by around \$900 million to \$4.3 billion. Net debt will go up to \$9.9 billion with new borrowings of \$1.8 billion.

Economically, the Budget anticipates Gross State Product growth of 3%, with unemployment going down from 6% to 5.75%. Overall, the Budget predicts a strengthening of the economy on the back of strong household consumption, low interest rates and the wealth effect from rising house prices.

As the Treasurer stated in her budget speech, funding in the key areas of health, education, transport and family and community services have all gone up by more than 5%. The Budget also includes a number of new initiatives which will benefit the not-for-profit sector and, most importantly, many of the people we represent and serve. This includes:

- 770 new social housing dwellings and a new Social Housing Improvement Fund;
- More funding for energy rebates, including the introduction of new rebates; and
- Enhancements to Isolated Patients Travel and Accommodation and Assistance.

The Budget Papers also confirm the Government's commitment to a \$1 billion Housing Investment Fund, which is already being developed with NCOSS and the assistance of our members.

However, there are some shortcomings in the Budget, such as:

- Forecasted increases in property values, which will exacerbate housing affordability issues;
- A less-than expected increase in domestic violence support; and
- Ongoing uncertainties in relation to disability advocacy funding beyond 2015/16.

Of particular concern are projections concerning Federal Government's decision to reduce National Partnership funding to NSW. This has already led to a cut in Aboriginal Health and by 2017/18 will see expense growth stall at just 1.5%, with \$2.8 billion cut from health and education funding.

NCOSS' Budget Analysis focusses on areas of particular interest to us and our members, being:

- Family & Community Services;
- Education & Communities;
- Health (which now includes Women NSW);
- Justice;
- Transport & Infrastructure; and
- Energy and Utilities.

Family & Community Services

The operational budget for the Family and Community Services Cluster will go up by 8.6%. Capital expenditure will reduce by 3.6%, possibly due to proposed transfers of accommodation assets to the non-government sector. Highlights and key changes include:

- \$342 million for new **social housing** and upgrades steady at \$209 million – this includes a 74% increase in completion rates that will realise 770 new dwellings. The new Social Housing Community Improvement Fund will also provide \$6 million to fund environmental changes.
- **Specialist homelessness services** are budgeted at \$182m – however, the budget doesn't include funds from the National Partnership Agreement on Homelessness. Once signed off by the states and the Commonwealth, an additional \$30 million plus \$5m in rolled over money will be provided.
- Funding for **disability services** is up by 6.7% to \$3.3 billion. NDIS preparation dominated FACS spending, although ongoing funding for disability advocacy beyond 2015/16 remains uncertain. While the redevelopment of large residential centres was prominent, questions remain about whether the building of group homes will deliver real choice.
- \$8m extra over four years for initiatives to assist **older people**, such as the *Tech-Savvy Seniors* program.
- An increase in funding for children and young people requiring statutory care has seen the **Out of Home Care** Budget rise from \$891m to \$960m, with more than half going to the NGO sector.

In March this year, NCOSS entered an MOU with the NSW Government to provide \$1 billion for a Housing Investment Fund.

The Budget restates this commitment and work is now underway between NCOSS and Treasury.

Beyond this year's budget, state funding for disability advocacy remains uncertain.

NSW has agreed to hand over funding to the Federal Government – a move which has not been welcomed by NCOSS and its members, with the Commonwealth still yet to detail how it will apportion funding.

- While some **domestic violence** programs – such as Safer Pathways and Staying Home Leaving Violence - will expand, and there is a small amount for the Domestic Violence Disclosure Scheme, funding for domestic violence support has not grown in line with sector recommendations.
 - The \$167.5m allocation to **Aboriginal Housing** includes \$46m to provide housing in remote and regional areas. An apparent increase overall may be explained by an underspend from last year's projected \$170 million revised to \$159.8m.
 - **Citizenship and Communities** and Multicultural NSW have moved to the FACS Cluster – while the agency's Budget of \$57.3m suggest a \$20m increase, there was a \$27.1m
- In line with the Government's election commitment, there is \$3m extra for a **Foodbank Distribution Centre** in Western Sydney providing food supplies to approximately 560 charities.

Education & Communities¹

In her Budget Speech, the Treasurer highlighted a more than 5% increase in the education budget. While carry-overs and agency transfers make it difficult to identify overall funding changes, budget highlights and key changes include:

- More than \$11 billion will be spent on government-run primary and secondary schools (up 5.7% and 3.4% respectively), with \$1.1 billion going to non-government schools (up 5.2%)
- Early Childhood Education Services has a budget of \$347.8m – a 32.3% increase for 2015/16, which is partially funded by unspent Commonwealth funds (\$100m) from 2014/15.
- \$20m will fund 45,000 new Before and After School places;
- \$2 billion for the TAFE Commission – a 7.8% increase and includes \$101m in new capital spending as well as \$48 million over four years for 200,000 fee-free scholarships
- However, there will be 43,000 less TAFE enrolments, which is most likely a result of recent reductions in course options and fee increases.

By 2019, Federal cuts to National Partnership Payments will cost NSW \$2.8 billion in funding for hospitals and schools.

This year, the NSW budget for Aboriginal Health Services has gone down 6.6% due to the cessation of National Projects.

Health

The Health Cluster budget, which includes Women NSW, totals \$21 billion – a 5.2% increase. This will in part meet growing hospital demand and provide new funding for capital expenditure, medical research, mental health and drug and alcohol services.

\$13 million will be provided to enhance Isolated Patients Travel and Accommodation and Assistance – NCOSS has advocated strongly for this in partnership with our members.

Highlights and key initiatives include:

- \$325 million for increased hospital activity, with 90,000 extra emergency attendances and additional elective surgery for 3,100 patients;
- An additional \$1.4 billion for new capital expenditure;
- \$1.7 billion to deliver the NSW Mental Health Strategy, including \$10.5 million over four years for Lifeline to improve access to counselling services and \$22.8 million over four years to support women suffering from post-natal depression;
- An additional \$159 million is being invested in medical research, including \$10 million over four years to support 66 PhD and post-doctorate fellowships;
- Population Health Services – which includes environmental health protection and funding for breast screening services – has had its funding reduced by \$4.2m.

¹ In this year's budget, the Education & Communities Cluster includes early childhood education, schools and Aboriginal Affairs. While VET has now been moved to the Industry, Skills and Regional Development Cluster, NCOSS' analysis of VET is detailed above.

Justice

The Justice Cluster (which comprises legal, police, emergency and corrective services) has a budget of \$6.8 billion - an increase of around 11%, largely due to agency transfers. Highlights include:

- An additional \$40m to deliver on the Government's election commitments to strengthen the NSW Police Force and provide additional support to rural firefighters.
- An extra \$5.5m to combat child sexual assault through the appointment of specialist judges and 'children's champions.'
- \$314.6m over four years to provide a new prison and expand others to accommodate 1000 more prisoners.
- \$268m in funding for the NSW Legal Aid Commission.

The Productivity Commission has said that NSW CLCs need an extra \$200m. Yet the Federal Government plans to cut funding by 25% in 2017/18 and this year, state funding is unlikely to increase.

Transport, Roads & Infrastructure

The Government has emphasised the focus in this year's budget on infrastructure, particularly in roads and rail. This includes \$591m to commence planning on projects to be funded from the forthcoming sale of state-owned electricity assets. Other highlights include:

- Total expenditure for the Transport for NSW cluster amounts to \$16.5 billion.
- The Transport for NSW (TfNSW) agency budget is \$14 billion - which includes funding to grow and enhance road and public transport networks, transport services and asset maintenance.
- \$316m for the Transport Access Program, to improve the accessibility of public transport.
- New funding to expand fares and Opal card services to asylum seekers and job seekers.

Energy & Utilities

The budget provides more than \$250m to the Industry, Skills and Regional Development (ISRD) Cluster for energy rebates – an increase of 11%. This includes:

NCOSS welcomes the NSW Government's expansion of rebates.

We are now advocating for the introduction of a single and percentage-based rebate for low-income families.

- 21.6m to fund Government election commitments, including the introduction of a \$90 gas rebate and the expansion of the Life Support and Medical Energy rebate to assist people with quadriplegia who use electric wheelchairs.
- Around \$215m to fund existing rebates, including the Low Income Household Rebate and Family Energy Rebate.

The ISRD budget also provides \$3 million in funding over five years to the Public Interest and Advocacy Centre (PIAC).

While rebate expansion is welcome, NCOSS and other sector representatives remain concerned that the NSW Government has supported Networks NSW's decision to appeal the recent decision of the Australian Energy Regulator to reduce the cost of electricity bills.

Work with NCOSS to reduce poverty and disadvantage in our community.

NCOSS is the peak body for social and community services in NSW. We work with our members to affect change that makes a real difference for people experiencing poverty and disadvantage in NSW.

Join NCOSS to lend your voice to ensure we are influential, effective and truly representative. Through your membership you will participate in, and strengthen, work that will set the agenda around key debates affecting the community.

Through our diverse set of policy forums and reference groups you have the opportunity to shape our policy positions. You will also have the chance to engage in our targeted community campaigns to strengthen our voice to achieve outcomes.

We know our organisational members play a crucial role in supporting our community. Our members receive support in capacity building to run innovative, effective services that keep pace with our ever changing environment.

Join NCOSS today to work together to build a stronger sector and community.

Go to MEMBERSHIP at www.ncoss.org.au to join today.

the 1990s, the number of people in the UK who are employed in the public sector has increased from 10.5 million to 12.5 million, and the number of people in the public sector who are employed in health care has increased from 1.5 million to 2.5 million (Department of Health 2000).

There are a number of reasons for this increase. One of the main reasons is the increasing demand for health care services. The population of the UK is increasing, and the number of people who are aged 65 and over is increasing rapidly. This has led to an increase in the number of people who are in need of health care services.

Another reason for the increase is the increasing demand for health care services from people who are in need of health care services. This is due to a number of factors, including the increasing incidence of chronic diseases, the increasing incidence of mental health problems, and the increasing incidence of accidents and injuries.

There are a number of ways in which the health care system can be improved. One of the main ways is to increase the number of health care workers. This can be done by increasing the number of people who are trained in health care professions, and by increasing the number of people who are employed in health care.

Another way to improve the health care system is to increase the efficiency of the health care system. This can be done by reducing the number of people who are employed in health care, and by increasing the number of people who are employed in other sectors of the economy.

There are a number of other ways in which the health care system can be improved. These include increasing the quality of health care services, and increasing the number of people who are employed in health care who are trained in health care professions.

The health care system in the UK is facing a number of challenges. One of the main challenges is the increasing demand for health care services. This is due to a number of factors, including the increasing incidence of chronic diseases, the increasing incidence of mental health problems, and the increasing incidence of accidents and injuries.

There are a number of ways in which the health care system can be improved. One of the main ways is to increase the number of health care workers. This can be done by increasing the number of people who are trained in health care professions, and by increasing the number of people who are employed in health care.

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