



ncoss

NSW Council of Social Service



NCOSS Analysis: NSW Budget 2017-18

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.

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CEO's Message



The 2017-18 NSW Budget handed down on 20 June was a lukewarm commitment from the government to alleviate the social and financial issues faced by our State's most vulnerable.

We know we need to invest in communities to lift people out of poverty and disadvantage. Last year we visited communities around the State to hear from them about the challenges they face and the solutions that would allow them to overcome those challenges. We also spoke directly to people living below the poverty line about what would make a real difference for them. These consultations helped shape our Pre-Budget Submission, which contained a clear roadmap for change with achievable and costed asks.

We recommended the NSW Government:

- Deliver a cost of living package for people experiencing and at risk of poverty
- Boost community living supports for young people experiencing mental ill-health
- Invest in early childhood education
- Roll out a nurse-led home visiting service for vulnerable families statewide
- Fix the gap in oral health
- Deliver Phase 2 of the Social and Affordable Housing Fund
- Empower the West by investing just \$13 million per year in communities in Western NSW and the Far West

There are certainly some Budget measures to be positive about. The \$6 million in funding over two years for community legal centres will help ensure that everyone has access to justice, not just those who can afford it. There's also \$20 million in funding for community-based mental health services and additional money for oral health services.

While these are steps in the right direction, there was a missed opportunity for a deep social infrastructure spend to support the most vulnerable. We saw plenty of investment in physical infrastructure like roads and buildings, but little in people or social infrastructure.

Although Phase 2 of the Social and Affordable Housing Fund was a welcome announcement; there was no mention of support to help out vulnerable renters or address rental affordability.

Similarly, the funding for \$217 million over four years for the Start Strong reforms to early childhood education is a great initiative. However, we missed the opportunity to create an Early Childhood Education Fund that would ensure services can grow, be innovative and give children from disadvantaged backgrounds the best possible start to their education. We know that early intervention and early education has the potential to make the most difference.

When it comes to cost of living, our latest report painted a bleak picture; one where the cost of energy is impacting on people's health and wellbeing. Individuals and families doing it tough are sacrificing dental treatment, medical treatment and even meals just to afford the rising cost of their energy bills. In a wealthy state like NSW, this is unacceptable.

All our recommendations would have made a real difference to communities and people's lives. With a \$4.5 billion surplus, the Government has the bones to support these recommendations. We can, and need to, do better.

We know that we do not all start on an equal playing field and that we need targeted solutions for residents of our State who face multiple and intersecting forms of disadvantage – for Aboriginal and Torres Strait Islander people, people with disabilities, women, young people, older people, LGBTIQ communities, and regional and remote communities.

We have a lot to learn from strong, connected Aboriginal communities and we know that Aboriginal communities and leaders need to shape and drive the solutions to the systemic challenges they face.

We need to be responsive to regional needs across our State and target investment rather than adopt a one size fits all approach, as we know that regional NSW is increasingly missing out.

The NSW Government needs to get it right in 2018; we are a wealthy state and can afford to be investing in social infrastructure. So we look forward to continuing this conversation with our members, communities and government, and working together to put the focus back on people in next year's budget. Working together, we can build a fairer NSW for all.

Tracy Howe
CEO

NCOSS 2017/2018 Pre-Budget Submission

In 2016, NCOSS consulted over 200 community organisations in 25 regional and metropolitan centres across NSW to inform our Pre-Budget Submission. For the first time we also surveyed 417 households receiving income support to engage directly with people experiencing or at risk of poverty and disadvantage. Based on these consultations and our members' advice, we made the following seven budget recommendations to the NSW Government.

1. Deliver a cost of living package for people experiencing and at risk of poverty

Invest \$368 million to make transport, electricity, housing, and legal services more affordable for people on low incomes.

2. Boost community living supports for young people experiencing mental ill-health

Invest \$14 million over four years to deliver Youth Community Living Support Services (YCLSS) in six new locations across NSW.

3. Invest in early childhood education

Establish a \$250 million Early Childhood Education Investment Fund to improve the effectiveness of recurrent funding growth.

4. Roll out a nurse-led home visiting service for vulnerable families statewide

Invest an additional \$25 million per annum in the state-wide rollout of nurse-led home visiting programs for

vulnerable families with children age 0-2.

5. Fix the gap in oral health

Invest an additional \$25 million into oral health services in NSW to improve access to timely dental services and reduce oral health inequities.

6. Deliver Phase 2 of the Social and Affordable Housing Fund

Deliver at least 5000 additional units of social and affordable housing for the state's most disadvantaged people, particularly regional, rural and remote areas, Aboriginal communities, older women and women, children and young people experiencing domestic and family violence, by rolling out Phase 2 of the Social and Affordable Housing Fund (the SAHF).

7. Empower the West

By investing just \$13 million per year communities in Western NSW and the Far West could be empowered to make positive change in their region.



Cost of Living

We heard directly from people doing it tough across our State that they are struggling to meet the rising cost of living. We recommended investing \$368 million in measures to make the cost of motor vehicle registration and insurance, council rates, transport and essential energy services more affordable. While this year's budget contained a separate section aimed at helping families with the cost of living it contains little new money committed to supporting people on low incomes.

Energy

NCOSS Recommendation: *Reform the Low Income Household Energy Rebate to support low income families to meet the rising costs of energy.*

This year's budget claims expenditure of \$1 billion in energy rebates over four years. This represents business as usual, with no increase in budget allocations for any of the major rebates. Our most recent [Cost of Living Report: Turning Off the Lights](#) shows that households are already foregoing important essentials, including medical treatment and skipping meals, in order to pay their bills. With 20% electricity price increases on the horizon, substantial reform is needed now to keep low income households out of crisis.

Growth in the number of organisations able to issue Energy Accounts Payments Assistance (EAPA) vouchers goes some way towards recognising that more support is needed. But with no new money committed to this scheme, funds will inevitably be spread more thinly across organisations responding to people struggling to pay their bills.

Transport

NCOSS Recommendation: *To reduce the cost burden of transport-related expenses, the NSW Government should extend the motor vehicle registration rebate to more low income earners and extend transport concessions to groups that are currently missing out.*

The reforms to Compulsory Third Party motor vehicle insurance in this year's Budget will theoretically save consumers more than \$100 on the cost of a green slip through improved regulatory oversight of the profits flowing to insurers. While welcome, careful monitoring will be needed to ensure these savings are actually delivered to consumers. NCOSS is disappointed that more tangible measures to alleviate costs for people

with low incomes were not included.

This year will also see Opal fare increases matched to CPI. With no improvements to concessions, public transport fares will become even less affordable for people on low incomes, many of whom have no other options. At a time when billions are being spent expanding transport infrastructure, funding should also be allocated to ensuring all people – particularly people on low incomes – can properly benefit from our infrastructure investments.

Legal Services

NCOSS Recommendation: *Provide NSW Community Legal Centres with a total of \$6 million in extra funding.*

We welcome the Government delivering \$6 million to fill the looming funding gap for Community Legal Centres (CLCs) left as a result of proposed Federal cuts. With these Federal cuts now reversed, these essential services will see a funding boost of \$3 million in 2017-18 to support the delivery of targeted assistance. However, the situation remains precarious as funding is only guaranteed for two years.



Council Rates

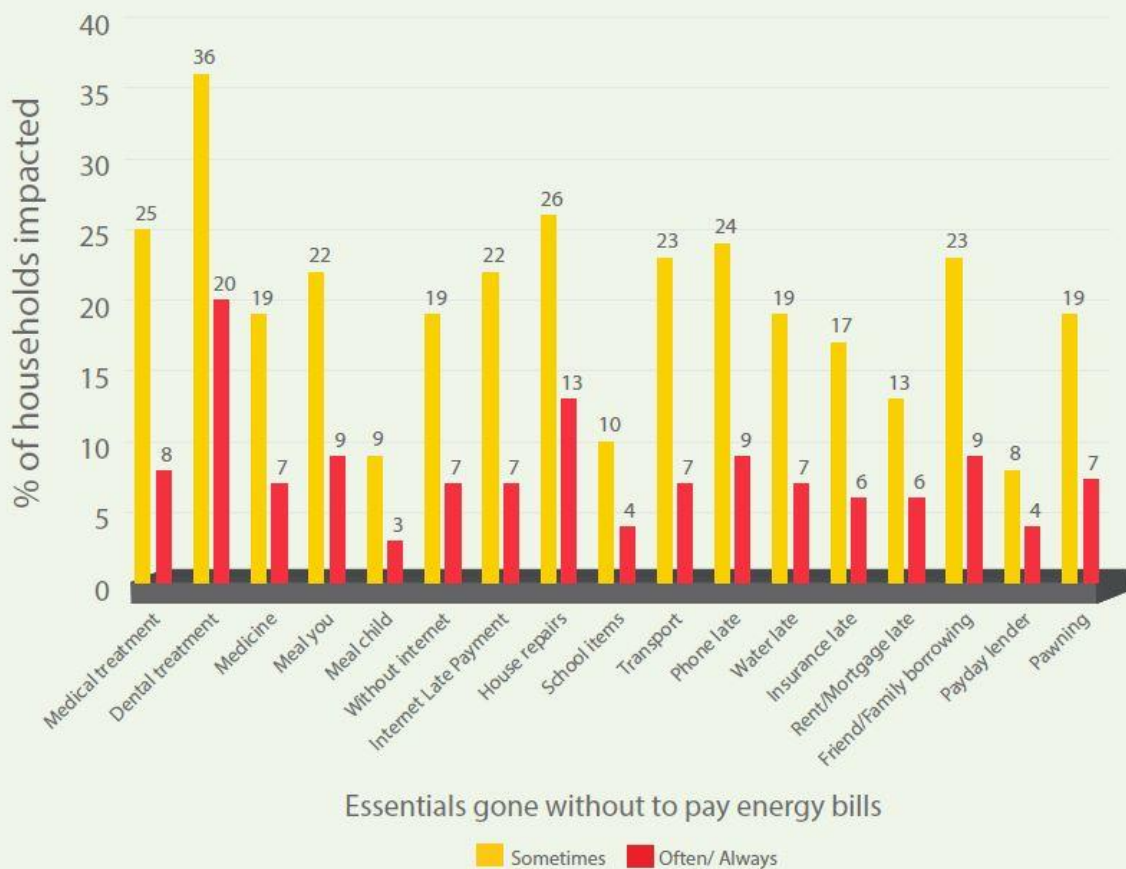
NCOSS Recommendation: Increase the local government rates concession and tie this concession to increases in the rates cap in future years.

The Budget included no measures to better support people with low and fixed incomes with the rising cost of council rates. With the rebate static at \$250 since 1993, this support is increasingly inadequate.

Cost-of-living budget round-up

With the \$100 Active Kids rebate (see page 9) described as the 'soul' of this year's budget, the NSW Government has acknowledged the level of community concern over the rising cost of living. But disappointingly there is little in the way of effective responses to people on low incomes who are seeing the cost of essentials, such as energy, escalate at a much faster rate than their incomes.

What low-income households do in order to pay their bills



Health

Our members and the communities we visited told us that oral and mental health were key areas for investment that had far reaching impacts on people’s lives. We welcome the additional investment of this budget in oral health and community-based mental health services as a good start, but more is needed.

Oral Health

NCOSS Recommendation: Invest an additional \$25 million into oral health services in NSW to improve access to timely dental services and reduce oral health inequities.

The 2017-18 Budget sees an additional \$10 million allocated to oral health services in NSW. This will enable around 17,000 more patients to receive a course of dental care and brings state funding for public dental activity to a total of approximately \$229 million. The additional funding is welcome news for people on low incomes who consistently tell us access to affordable dental services is a top priority in our annual cost of living surveys. But with a slight reduction in funding flowing from the Federal Government under the National Partnership Agreement, and 76,553 adults currently waiting for public dental treatment, this funding does not go far enough.

We also need to see this funding targeted to specific populations in need. Aboriginal people experience poor oral health at an earlier age than the general population and experience a greater severity of disease. The

“We cannot afford to go to a private dental practice. We have to rely on Government services. However it is very difficult to get treatment unless you are in ‘REAL PAIN’. We do not get regular check-ups.”

- NCOSS Cost of Living Survey

Aboriginal Health and Medical Research Council’s Oral Health Position Paper describes improving the oral health of Aboriginal peoples as an urgent priority in NSW. In 2017-18 approximately \$6.3 million is being provided to Aboriginal Community Controlled Health Services to deliver dental activity.

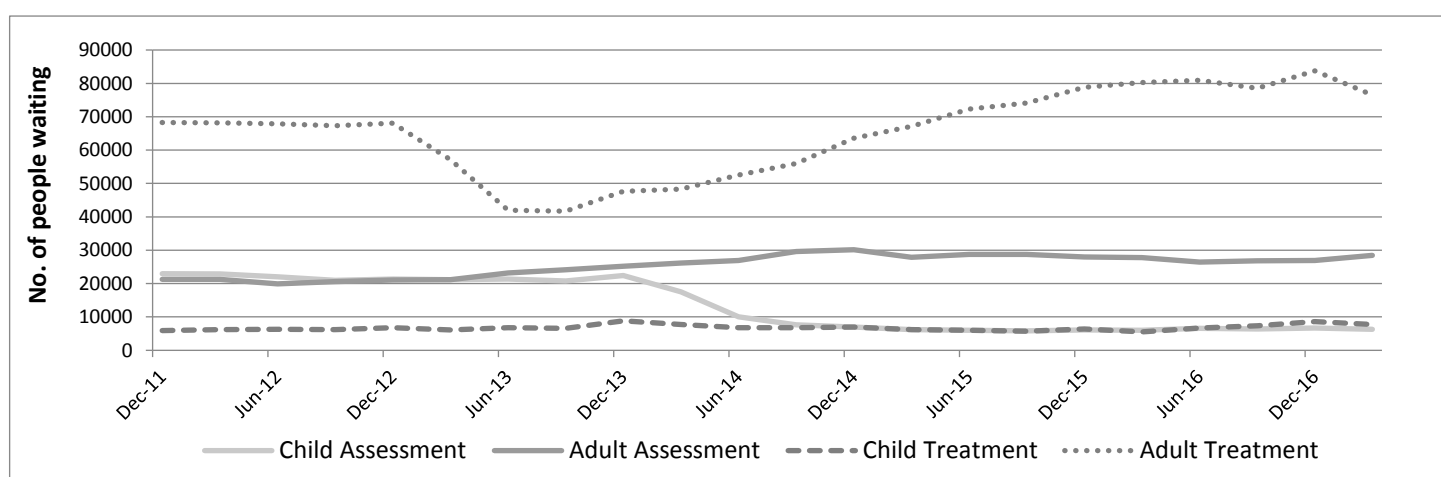


Figure 1: Number of NSW residents waiting for dental treatment, 31 December 2011 to 31 March 2017. Source: NSW Health.

Mental Health

NCOSS Recommendation: Invest \$14 million over four years to deliver Youth Community Living Support Services (YCLSS) in six new locations across NSW.

The 2017-18 Budget includes a \$20 million funding boost to community-based mental health services, bringing to \$95 million the total investment in NSW mental health reform in 2017-2018. Part of this funding is allocated to the expansion of community managed living supports and psychosocial supports for people in the community. Therefore, we would expect to see YCLSS – which offers non-clinical support tailored to the goals of young people age 16-24 – expanded beyond the five sites that commenced operation in 2015.

The new funding includes:

- \$8.2 million for specialist community mental health teams
- \$4.8 million to expand psychosocial support services
- \$1.6 million for the Pathways in Community Living Initiative
- \$5.4 million for other initiatives including workforce capacity and the development of a strategic framework for mental health services.

As this funding is rolled out we will continue working with our members to assess the adequacy of investment in community based mental health services in relation to supporting those with moderate to severe mental illness to remain well in community – the goal [Living Well: A Strategic Plan for Mental Health in NSW2014-2024](#) sets out to achieve.

Health budget round-up

At \$21.6 billion, health remains the largest component of the NSW Government Budget. The 2017-18 allocation sees growth of 4.7% on the 2016-17 revised budget. Initiatives of particular interest include:

- **Palliative care:** A welcome \$100 million funding boost over four years for palliative care services, focusing on regional NSW. The need to increase the number of specialist palliative doctors and palliative care nurses was highlighted by Cancer Council NSW's *I Care for Palliative Care Campaign* supported by NCOSS and many others. This campaign also called for culturally appropriate

palliative care for Aboriginal people, an issue we hope will be prioritised in the rollout of this additional funding.

- **Child obesity:** \$3 million in new funding has been allocated to supporting health professionals work with families to manage unhealthy weight, and to extend Munch & Move initiatives to family day care and supported playgroups. The 'Active Kids Rebate' in the Sport Budget also provides school children with a new \$100 rebate for sporting and fitness related costs at a cost of \$207 million over four years. Care will need to be taken to ensure good uptake of this rebate by families experiencing disadvantage. We remain skeptical about its potential to overcome barriers to participation for families on very low incomes.
- **Drug & Alcohol:** As part of the drug and alcohol package announced in last year's budget, this year sees \$6.7 million in additional funding allocated to tackling alcohol and drug misuse
- Funding for health NGOs receiving Ministerially Approved Grants has been indexed at 2.5%

People living in regional NSW have worse health outcomes than those living in cities; with the starkest indicator being a lower life expectancy by five to eight years.¹ Access to health care is a significant contributor to these inequities. In this context, the NSW Government's substantial investment in rural and regional health facilities is welcome. However, access to these facilities will remain difficult for people living outside regional centres without significant additional investment in health transport initiatives.



¹ [Public Health Information Development Unit, Torrens Australia \(2017\)](#)

Children, Young People and Families

Across the State we heard about children and families doing it tough and the need to invest early and get it right from the start. We called for an investment of \$275 million in early intervention initiatives and early learning measures to ensure all children have the very best start in life. NCOSS welcomes the Government's continued commitment to vulnerable children, young people and families. However, we are disappointed by the limited injection of new funds into preventative measures that would see greater safety and wellbeing for vulnerable children in NSW and long-term savings.

Early Childhood Education

NCOSS recommendation: *Establish a \$250 million Early Childhood Education Investment Fund to ensure vulnerable children and young people access the full benefits of quality early education and improve the effectiveness of recurrent funding growth.*

Prior to the budget, the Government announced that the Start Strong funding model for preschool education is guaranteed to 2021, with an additional \$217 million invested over the next four years. NCOSS welcomes this additional funding and the reassurance, certainty and support it will provide Early Childhood Education and Care (ECEC) services. This is particularly important for rural and remote communities where access for families and their children depends upon sustainable and appropriately funded services.

However, this budget represents a missed opportunity to properly invest in our most vulnerable children through an Early Childhood Fund. While overall investment in Early Childhood Education has increased to \$435 million, the NSW Government continues to spend less on ECEC services than most other states and territories. More is needed to ensure all children benefit from this investment, and to resolve the affordability and accessibility issues facing our most vulnerable families.

Other early childhood initiatives include:

- \$30 million in continued funding to enhance participation and outcomes in ECEC for children with disabilities.
- \$10 million for a capital works grant program to create up to 700 new preschool places in areas of highest demand.
- \$200,000 for a Rural and Remote Early Childhood Teaching Scholarship program to help early childhood educators in preschools and long day care services upgrade their diploma qualifications to a four-year degree.

Nurse Home Visits

NCOSS recommendation: *Invest an additional \$25 million per annum in the state-wide rollout of nurse-led home visiting programs for vulnerable families with children aged 0-2.*

With overwhelming evidence showing the long-term benefits of sustained nurse-led home visiting for vulnerable families, we are encouraged to see the NSW Government recognise the value of these programs as part of the Future Directions strategy for social housing. This sees \$1.5 million in 2017-18 committed to expanding the Sustaining NSW Families Program, with an additional site in Wollongong and enhancement to the sites in the Fairfield, Rockdale and Wyong Local Government Areas.

Despite this, with only nine sites across the state, many vulnerable families will continue to lack access to this vital service.

Children, Young People and Families budget round-up

NCOSS welcomes \$63 million (over 4 years) of new funding for 75 additional child protection caseworkers and 66 new casework support workers. This includes:

- \$17 million over two years for additional casework support workers and supporting the health and wellbeing of caseworkers.
- \$24 million over 4 years to provide additional caseworkers to increase the number of children and young people at risk of significant harm who receive face to face assessment or service.
- \$22 million over 4 years for additional caseworkers to address capacity gaps.

This investment is important in ensuring appropriate responses to protect all children and young people who report at risk of significant harm; but is only a start, more is needed.

We are encouraged to see continued investment for high needs children in out-of-home care (OOHC) at \$148 million over 4 years and \$60 million for Brighter Futures.

The budget saw the investment of \$52 million for the implementation of a new service model as part of the Tune Reform (Their Future Matters). \$25 million has been allocated for new evidence-based service models to improve family preservation through new multi-systemic therapy for child abuse and neglect (MST-CAN) and functional family therapy child welfare (FFT-CW) services.

However, more funds are needed to provide support for young people transitioning from the OOHC system into independent adulthood. Supporting this cohort is essential to break the intergenerational cycle of children entering care.

Additional initiatives announced for Children, Young People and Families include:

- \$3.5 million in new spending to improve responses to people formerly in care seeking to obtain their information.
- \$1.3 million in new funding for additional legal

supports to respond to and resolve civil claims of historical child abuse.

- \$3.6 million to support the Advocate for Children and Young People

While investment in protecting children at risk of significant harm is of critical importance, we are missing an opportunity to make significant and targeted investments early on for children and young people at risk of disadvantage.

Investment for Targeted Early Intervention (TEI) to provide parenting, youth and family support programs received no additional investment. It remains at approximately \$131 million, including:

- \$95 million (approx.) to provide parenting, youth and family support programs
- \$36 million (approx.) for the Community Builders Program
- \$750,000 for the TEI Sector Assistance Strategy.

Significant advances in the well-being of our children and young people will only be possible if the sector as a whole is adequately funded and resourced. NCOS will continue to advocate for increased investment to enable a full continuum of services across the system.



Housing and Homelessness

We heard consistently from our members that housing is a top priority for action and the foundation of a good life. The announcement of the second phase of the SAHF is a very welcome response to our call for greater investment in the production of social and affordable housing. However, this year's Budget contained very little new money to tackle rising homelessness and the rental affordability challenges faced by our State's most vulnerable.

Social and Affordable Housing

NCOSS Recommendation: *Deliver at least 5000 additional units of social housing for the state's most disadvantaged people, particularly regional, rural and remote areas, Aboriginal Communities, older women, and women, children and young people experiencing domestic violence, by rolling out Phase 2 of the Social and Affordable Housing Fund (the SAHF).*

The Budget confirmed that Phase 2 of the Social and Affordable Housing Fund would go ahead with processes kicking off in the 2017-18 financial year, starting with Industry Soundings. The Government is interested in ensuring that the next phase of the SAHF responds to the learnings from the initial phase. This means that the Industry Soundings, set to begin in the next couple of months, will be an opportunity to highlight suggestions on streamlining SAHF processes and positioning it to achieve strong and much-needed outcomes. There is still active consideration about the cohorts that SAHF 2 will target.

Accommodation issues, such as housing crises and inappropriate dwellings, are the primary reasons that Aboriginal people access homelessness services in NSW.¹ We need investment in solutions designed and driven by Aboriginal Communities to overcome structural inequity. Since releasing our PBS in October, NCOSS has engaged in concerted advocacy for \$3 million to build the capacity of Aboriginal organisations to be active partners in the future production of social and affordable housing. This investment, alongside a priority cohort status for SAHF 2 could provide Aboriginal people and communities with increased access to appropriate housing and greater security.



Housing budget round up

The social housing and homelessness areas of the budget could best be characterised by no real losses and some targeted, but minor gains. In the context of burgeoning social housing waiting lists, rising contact with homelessness services and a largely unaffordable private market, the sizeable budget surplus should have been an instigator of long-term positive change in this area.

New money

Increases to **support for rough sleepers** gained \$20 million (over 4 years) to deliver transitional accommodation and support packages. In 2017-18, \$5 million will provide:

- 90 support packages in Metropolitan Sydney
- 30 support packages in Regional NSW in areas with high incidences of rough sleepers

While new money is of course welcome, ongoing, secure housing through a Housing First model is the solution supported by experts in the Sector.

Delivery against known commitments for 2017-18

- The Premier's Youth Homelessness Initiative provides mentoring, support and subsidised accommodation for young people leaving out-of-home care. The \$12 million for 17-18 includes some of last year's underspend which will be rolled into the next 3 years. Currently in the final stages of procurement, new services are expected to be operational in August/ September in all FaCS districts.
- There is no real change beyond CPI to Specialist Homelessness Services funding at \$198 million.
- \$81 million for head leasing through the Community Housing Leasing Program (up from \$76 million last year).
- \$19 million under Future Directions for Social Housing tenants to access a range of supports.
- \$11 million to assist people affected by floods in Northern NSW (\$9 million for supply over the next 3 years and \$2 million for head leasing).



Empower the West

When visiting Western and Far West NSW we heard about great need, about people and communities that are truly struggling. But we also heard about solutions, grounded in communities and getting results. We called on the Government to make a number of modest investments to better equip communities in Far West and Western NSW to face some very real and urgent challenges. While the Budget includes some new capital expenditure in these communities, the lack of investment directed towards empowering people in these regions is disappointing.

NCOSS Recommendations:

- \$2 million over 5 years to fund Driving Change Program
- \$4 million over 4 years to enable payments for community transport to be made through Isolated Patient Travel and Accommodation Assistance Scheme
- \$2.8 million over 4 years for regional transport responses
- \$30 million over 4 years to support vulnerable children and families as part of the Targeted Earlier Intervention Reform process
- \$1.1 million to fund two Mental Health Court Liaison Officer positions and \$4 million over four years for Court Diversion and Bail Support Programs
- \$10 million over 4 years to improve access to renal dialysis

The Government has endorsed our recommendation to fund Driving Change – a program designed to support Aboriginal people obtain a driver licence – in its response to the inquiry into *Access to Transport for Seniors and Disadvantaged People in Rural and Regional NSW*. But we are yet to see this translate into a concrete financial commitment. In addition, no new funding was allocated to the range of transport solutions we need in regional NSW to ensure all people can access services and opportunities.

No new money has been allocated to Targeted Earlier Intervention services (see page 11) where districts in the West of our State should be prioritised to address historical funding inequities.

With incarceration rates on the rise, and hearing that this is a particular concern for Aboriginal communities in Far West and Western NSW – we will continue advocating for a multipronged approach that provides people with opportunity and delivers initiatives that help keep people out of prison.

“When you’re a young person you want to do these things [get a licence to gain employment] to make life better for your family. It stops you, you can’t move forward, when you don’t have the support.”

- Wilcannia Men’s Group

Empower the West budget round-up

Infrastructure funding announcements include:

- \$9.6 million in 2017-18 to continue the reconfiguration of the Broken Hill Hospital and Dental Facility,
- \$3.9 million to fund the Broken Hill Integrated Health Facility
- \$9.9 million to improve water treatment in Cobar.

As a minimum, NCOSS would like to see these investments translate into sustainable employment opportunities for Aboriginal job-seekers and Aboriginal-owned businesses.

We share in the Government’s view that investments need to be targeted to address the unique challenges posed by the location and sparse population of the region. But from our reckoning, infrastructure investments alone, unless accompanied by adequate investment in social infrastructure, will do little to solve the unique challenges faced by people on low incomes in the Far West and Western NSW.

Older people

We know that disadvantage can compound across the life course, placing older people at greater risk of poverty and disadvantage. We also know that these voices can often go unheard.

The \$6.5 million to continue to implement the NSW Ageing Strategy largely represents previously committed funds, for example \$1 million for the final round of the Livable Communities Grants Program. We look forward to the release of the second Implementation Plan of the Ageing Strategy later in the year, which will highlight new projects to improve the lives of older people.

We welcome the extension of funding provided to the NSW Elder Abuse Helpline and Resource Unit (EAHRU) in October last year, on which this Budget delivers (\$600,000 out of \$1.3 million). While we acknowledge the Government's contribution to the Commonwealth's research agenda on elder abuse experienced by people from Aboriginal and culturally and linguistically diverse backgrounds, our members tell us that specific additional funding is needed to ensure the EAHRU is responsive to these groups.

New money in the Health Cluster includes an additional \$2.4 million for community mental health services for older people as part of the *Living Well Strategic Plan for Mental Health*.

Women

In NSW, women remain at greater risk of poverty than men across their lifecycle. NCOSS welcomes the allocation of \$3.6 million in funding for Women NSW to advance women's equality and economic opportunities, and we congratulate Women NSW on its commitment to develop a NSW Women's Strategy. This has the potential to take a great step towards ensuring the achievement of economic empowerment for all women in NSW. However, the success of this strategy will be reliant on ensuring that we can be held accountable as a state, and that there are adequate frameworks in place for measurement, reporting and evaluation. Equally, all government policies and programs have gendered implications, and we need to ensure that these policies and programs are effective, efficient and fair. We need data against which we can assess progress and investment from Government that is gender responsive.

As part of its commitment to develop a NSW Women's Strategy, NCOSS calls on the government to introduce a NSW Women's Budget in 2018.



Refugees and Multicultural Communities

We have much to learn from our diverse communities across our State – which bring their own strengths, knowledge and solutions. Last year's Budget included a significant investment in support for multicultural communities, in particular the Syrian and Iraqi refugee communities. This includes health, education, housing (rental support), out-of-home care support for unaccompanied refugee children and improved settlement outcomes programs. The funding was designed to be rolled out across several years. Consequently, while it has been included in this year's budget, in most cases it has not been highlighted in the budget papers. In this year's Budget, the investment appears smaller but is on top of the monies announced last year.

At the recommendation of Peter Shergold, the NSW Coordinator-General for Refugee Resettlement, Multicultural NSW will receive \$2.4 million over 4 years to create a Settlement Unit that will provide an across-government oversight role of all programs relating to refugee settlement. There is also an additional \$554,000 over three years for Multicultural NSW to manage the Community Hubs program.

\$1.1 million over two years has been added to the Interpreting and Translation Service budget specifically for concessional interpreter and translations services in NSW courts.

Education has also received new funding of \$11 million over five years to strengthen the Community Languages Schools program.

Domestic and Family Violence

Last year NSW saw a significant expansion of the NSW Domestic and Family Violence response, with a mix of evidence-based prevention and early intervention. We are encouraged that this year's budget demonstrates the Government's ongoing commitment to these areas. However, we note that NSW continues to lag behind other states, particularly in light of the Victorian Government's recent announcement that \$1.9 billion will be allocated to implementing the 227 recommendations of the Royal Commission into Family Violence. NSW investment in 2017-18 includes:

- \$10 million new investment for NSW Health to strengthen responses for adult and child victims of sexual assault and other violence, abuse and neglect.
- \$10 million for the next round of the Domestic and Family Violence Innovation Fund to invest in innovative prevention, early intervention and crisis response.
- \$13 million to continue the roll out of Safer Pathways across NSW with 15 anticipated new sites.
- \$25 million for Start Safely to help people escaping DFV move into stable housing in the private market.
- \$5.1 million for police high risk offender teams, including the roll out of 2 new teams in 2017-18.

Disability

We hear from our members that support for people with disabilities, and the services that work for and with them, is as important as ever as we transition to the National Disability Insurance Scheme (NDIS). The \$3.4 billion spend on disability relates to the continuation of existing programs and initiatives. \$1.3 billion is paid to the Commonwealth Government, representing the recurrent supports for clients who have transitioned to the NDIS. Money for other initiatives, such as investment in consumer capacity building projects (\$34 million) had already been allocated.

The budget makes no provision for specific funding needed for the implementation of Disability Inclusion Action Plans—essential if the Government is to deliver on its inclusion agenda.

It is disappointing to see no investment in the gaps that we know will be created with the closure of the Department of Ageing, Disability and Home Care (ADHC) next year. These initiatives, including health practitioners specialising in intellectual disability, and support for people with disability in the justice system, address areas which will remain the responsibility of the State Government.

The \$20 million per annum which funds advocacy and information services is not guaranteed beyond July 2018, leaving a significant gap both in relation to taking action on behalf of individuals who experience discrimination, neglect and abuse, but also in removing systemic barriers that exclude people with disability.

Education

Education is a foundation for life and a key circuit breaker for the poverty cycle. NCOSS welcomes the \$4.2 billion investment in school infrastructure, including new builds, upgrade projects and funding to address the backlog in school maintenance. We are pleased to see new funding (\$48 million over four years) to boost the internet capability of regional schools.

However, it is equally crucial to invest in initiatives that keep young people in school. While new funds allocated to an anti-bullying strategy (\$6.1 million) is a positive step, the majority of expenditure on wellbeing initiatives delivers on previously announced election commitments.

Employment

According to the budget papers, employment is expected to grow by 1.75% and produce an unemployment rate of between 5% and 4.75% over the next four years. This growth is welcome news given employment is key to reducing risk of poverty and an important contributor to maintaining people's health and wellbeing.

While falls in unemployment are always welcome, NCOSS has strong concerns about underemployment and the effects of long-term unemployment which can increase the risk of poverty and lead to poor health. The Budget acknowledges that underemployment will bear negatively on employment and unemployment over the years to come. Yet there appears to be few, if any, framing of measures to address underemployment and its impact.

Spending in the Employment cluster includes:

- \$8 million over four years for the Infrastructure Skills Legacy Program (ISLP) to increase apprentices, trainees and Aboriginal people employed on NSW Government funded infrastructure projects.
- A \$12 million allocation to Smart and Skilled Fee-Free Scholarships for 200,000 students including victims of domestic violence and disadvantaged groups.
- The continuation of the Smart, Skilled and Hired program including \$65 million over three years for the Youth Employment Program and \$19 million over three years for the Disability Sector Scale Up program, which grows the workforce as part of the National Disability Insurance Scheme (NDIS) rollout.



Justice

With significant growth in the number of people in our prisons – particularly the growing numbers of Aboriginal people – it is concerning that little funding has been allocated to reducing incarceration rates. We called for modest investments in diversionary programs in the Far West to reduce the number of Aboriginal people being imprisoned (see Empower the West).

The 2017-18 Budget sees the continuation of the \$3.8 billion Prison Bed Capacity Program with substantial funding directed to Cessnock, Wellington and Parklea. While capital expenditure is needed to address overcrowding and an anticipated surge in the NSW prison population; we should be aiming to shift our pattern of investment towards prevention. Funding directed to justice reinvestment approaches and services that help people break the cycle of poverty, disadvantage and imprisonment is likely to be a more effective way to relieve growing pressure on our prisons and deliver positive change for communities.

This year's budget also includes some welcome investments in dealing with the causes of crime and recidivism:

- \$62 million to deliver more intensive evidence-based programs for inmates serving short sentences and enhanced case management models for adult offenders in custody and the community.
- \$14 million over three years to continue the extension and expansion of the Youth on Track program.

Transport

Transport is a crucial social and economic enabler and regularly features in the top ten priorities that people with low incomes tell us would make a difference to their lives. But our transport system leaves many people experiencing disadvantage isolated and unable to properly participate in their communities.

With nearly 50% of the transport network still inaccessible, an extensive program of works is needed to upgrade our transport infrastructure to meet the needs of people with disability or limited mobility and parents with prams. The \$200 million continuation of the Transport Access Program is positive; but we need a long-term commitment and a transparent schedule of upgrades to provide certainty to people regarding the level of access they should expect to see into the future.

The \$81 million allocated to Community Transport in this year's Budget is slightly more than last year's revised expenditure, but less than last year's budgeted allocation (\$84 million), which was underspent by \$7 million. With transport disadvantage a consistent theme in our conversations with communities we will be looking to ensure the funding allocated to these vital transport services is actually delivered.

Our licensing system fails to meet the needs of Aboriginal people, and we are disappointed by the absence of additional funding to support the state-wide roll-out of Driving Change (see page 14). While the budget papers show \$2 million allocated to Aboriginal Driver Licensing programs, this does not appear to be new money but rather funding for programs already underway. Scaled up and sustained funding is needed to ensure Aboriginal people across the State can obtain a licence.



Tax and Revenue

The NSW Government has reported a budget surplus of \$4.5 billion in 2016-17, around \$500 million more than it was expecting in December. This better than expected result is largely attributed to the privatisation of State assets. The Budget projects an average surplus of \$2 billion pa over the forward estimates.

Revenue from property tax – which makes up a third of the State's tax take – continues to prop up the State's tax base. Land transfer duty (stamp duty) is expected to raise \$9.7 billion in 2017-18 and exceed \$10 billion in 2019/20 while land tax rose by 14% to \$3.7 billion over the past year on the back of increasing property values. The Government's reliance on stamp duty is likely to further fuel debate about property tax reform.

The NSW Government is expected to lose \$448 million GST revenue in 2017-18, and a combined total of \$7 billion by 2020-21 because of the formula used to calculate the distribution of GST among Australian states.

Gambling continues to account for a significant proportion of government revenue with proceeds expected to total \$9.9 billion over the next four years. Of concern to NCOSS is the amount raised from electronic gaming machines and the revenue lost in the form of concessions to clubs which in 2017-18 will amount to approximately \$917 million. To put this forgone revenue into perspective, the \$917 million in tax expenditure on club gaming machines is a little more than the sum total of investment in social services NCOSS called for in our Pre-Budget Submission.

Revenue from gambling, gaming machine revenues and industry concessions ²			
Year	Gambling revenue (\$millions)	Electronic gaming machines (\$millions)	Concession (\$millions)
11/12	\$1,815	\$1,150	\$739
12/13	\$1,870	\$1,177	\$777
13/14	\$1,941	\$1,210	\$805
14/15	\$2,067	\$1,360	\$817
15/16	\$2,251	\$1,455	\$868
16/17	\$2,258	\$1,506	\$898
17/18	\$2,334	\$1,566	\$917
Total	\$14,536	\$9,424	\$5,821
Forward estimates			
18/19	\$2,407	\$1,632	\$932 ³
19/20	\$2,578	\$1,703	\$970
20/21	\$2,552	\$1,777	\$1,009
Total	\$7,537	\$5,112	\$2,911

² Data obtained from previous years' budgets.

³ The budget papers do not project concession over the forward estimates. The amounts quoted here have been calculated using an average growth rate over the period 2011-2017.

Conclusion

As a rich state with a \$4.5 billion surplus, we have missed an opportunity to significantly invest in our communities. In this budget, we have seen significant investment in physical infrastructure – roads and buildings. But to build the NSW we want to see, we need more. We need investment in social infrastructure – in people and communities.

We need to: support people and families doing it tough to meet the rising cost of living; invest in health services across our State; ensure secure, safe, accessible and adequate housing for all; get it right from the start by giving all children and young people the best start in life; and empower our regions and local communities.

We hear from our members about solutions that are working in communities and regions across the state. We know that when we invest in communities these dollars can be far reaching and go further than we imagine. We look forward to working together over the next year to make this a reality.

