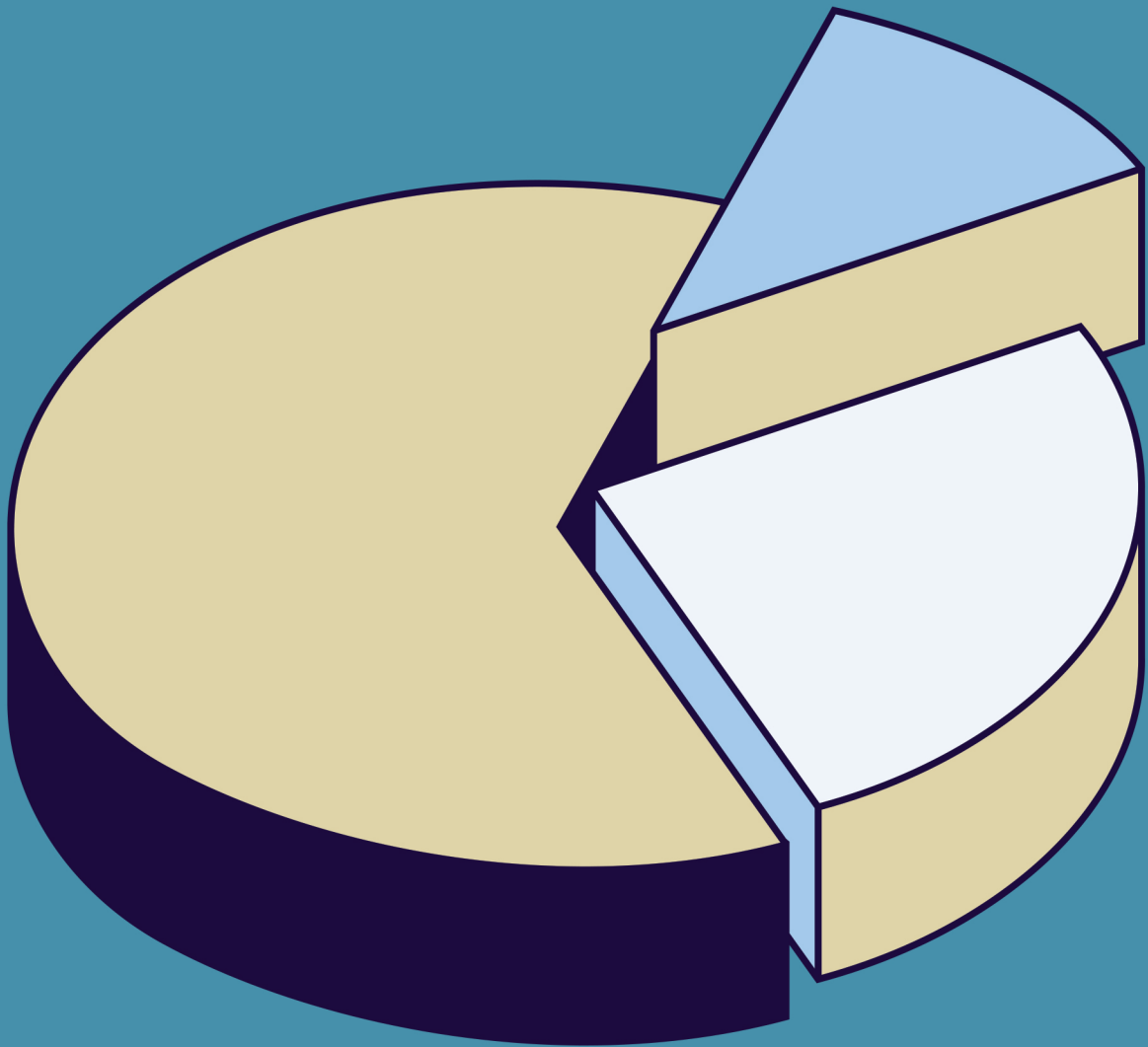


# State Budget Snapshot

---

2024-25



**SACOSS**

*South Australian Council  
of Social Service*



## Introduction

This Budget Snapshot provides a quick summary of SACOSS' "budget day" response to the 2023-24 South Australian State Budget.

The Snapshot:

- summarises expenditure changes between this year and the budget for next year;
- lists and rates new policy measures in areas of interest to vulnerable and disadvantaged South Australians and to the non-government health and community services sector; and
- tracks the response to the proposals in the SACOSS Budget Submission.

SACOSS will publish a more comprehensive budget analysis in the coming days which will include:

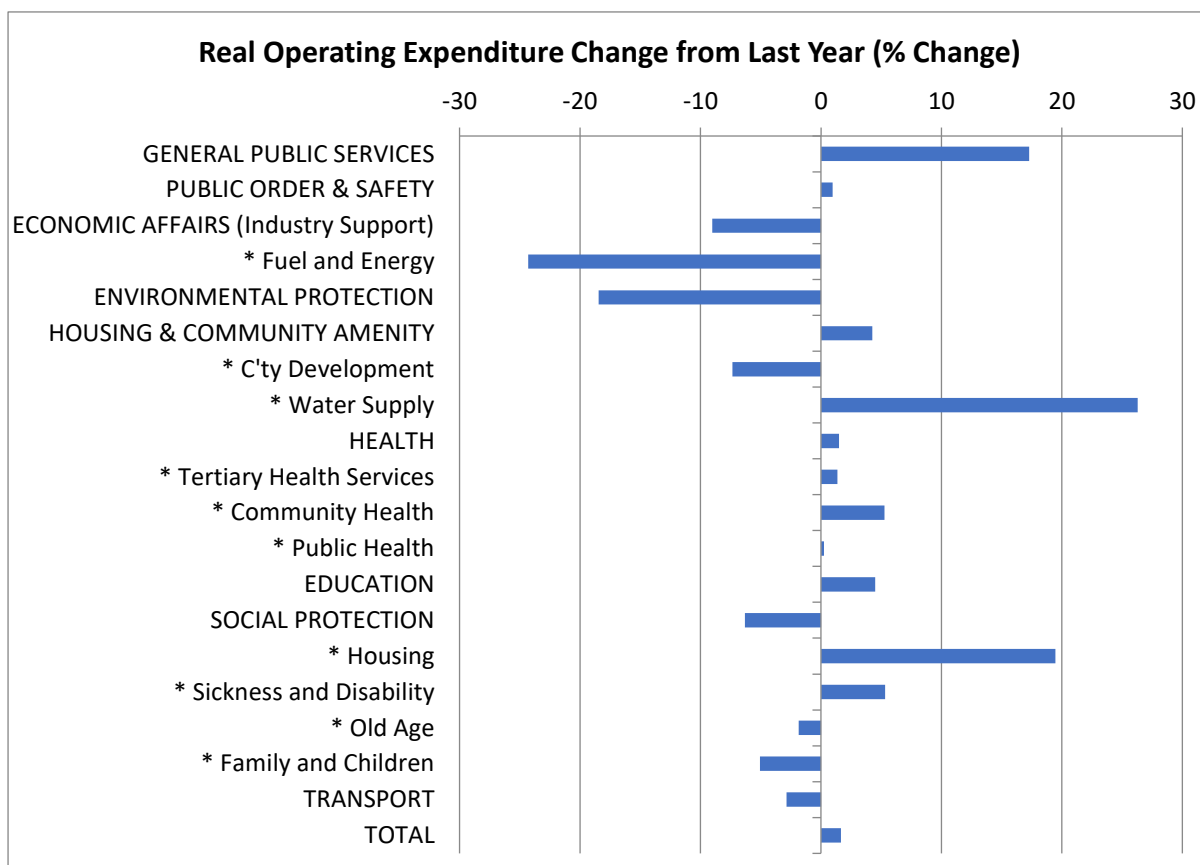
- a summary of economic trends and macro-economic indicators underpinning the budget;
- analysis of long-term revenue and expenditure data;
- more detailed commentary on the budget measures highlighted in the Snapshot;
- analysis of all program spending, achievements and targets for relevant departments and agencies.

## Expenditure Changes

The following graph shows changes in government operating expenditure between the estimated expenditure for 2023-24 and the budgeted expenditure for 2024-25 in areas of interest to vulnerable and disadvantaged South Australians. The data and categories are drawn from the Uniform Accounting Framework (Appendix A) in the Budget Statement, with the 2023-24 figures adjusted for indexation.<sup>1</sup>

The figures do not include capital investments, which are particularly relevant to housing where capital expenditure has increased significantly in recent years. Capital expenditure on “housing and community amenities” in the 2022-23 was just \$18m, but was budgeted to be \$174m in 2023-24, although only ended up at \$45m (still double the previous year). For 2024-25, the expenditure is budgeted at \$157m.

The broad categories of expenditure are in capitals, relevant sub-categories are in lower case.



As can be seen, there are a few significant expenditure changes from last year’s expenditure. The biggest decrease in expenditure is in fuel and energy programs– in part

<sup>1</sup> The 2023-24 expenditure was indexed at 2.5% to reflect the standard government indexation. This is not a real adjustment for inflation, or necessarily the real cost of services, but it allows a consistent comparison across years to track changes in priority and expenditure.

with the end of some renewal energy programs, while the increase in water supply expenditure includes investment expenditure and some Commonwealth funding.

Disappointingly, there is a decrease in funding for social protection initiatives despite the welcome concessions expenditure and increasing investment in housing and homelessness services, and in sickness and disability support. The decrease in the category overall is driven by a large drop in “social exclusion not elsewhere classified”, so it is not clear where cuts might be.

### **Summary**

Overall, SACOSS believes that the state budget will provide meaningful support to those South Australians who need it most. We welcome the strong emphasis on concessions and other measures to support the lowest income households. There’s more work to do in transport and health concessions, but the concessions package is very significant.

We would have liked to have seen a similar investment in other areas that are having a real impact on South Australians, including funding for mental health and digital inclusion, and even more investment in social housing. However, the generational investments in early childhood services and programs, and workforce skills and trainings are strategic, long-term initiatives that should benefit the entire community.

We also welcome other targeted initiatives such as the extra \$18.4m available for further support for NGOs, which we believe will supplement indexation payments, and \$20m for 8000 not-for-profit and small business NFP organisations to co-invest in energy efficiency equipment or improvements that reduce energy usage and costs.

# Budget Measures

## Substantial initiatives welcomed

(Page numbers in the lists below refer to the Budget Paper 5: Budget Measures Statement)

### Concessions

A package of significant concessions reforms to deliver cost of living relief for households on low incomes, including:

- \$5.2m for a one-off, additional Cost of Living Concession payment of \$243.90 to all recipients who received the Cost of Living Concession payment in 2023-24 (p. 41).
- \$36.6m over 4yrs to increase the Cost of Living Concession for tenants and Commonwealth Seniors Health Card holders to match the payment to eligible homeowners (p. 42).
- \$10.6m over 4yrs to broaden eligibility for public transport concession fares to all Health Care Card holders (p. 41).
- \$14.1m over 4yrs for improved access to concessions for tenants in share houses (including those in disability accommodation), to expand access to glasses, emergency electricity payment and funeral concessions, to increase access to concessions for asylum seekers and improve the home dialysis concession (p. 42).
- \$54.6m over 4yrs to expand the sports vouchers program by doubling the number of vouchers available per child, and increasing the scope of sport and recreational activities included in the scheme (p. 51).
- \$24m over 1yr to deliver a \$200 reduction in the Materials and Services Charge in government schools for the 2025 school year (p. 18).

### Housing

- \$65.9m for one year for increased housing construction costs for public housing promised in the government's *A Better Housing Future* program (p. 68).
- \$35.8m over 3yrs to provide energy upgrades for social housing (p. 69).

### Sector Support

- \$18.4m over 4yrs for indexation supplementation to support non-government organisations (NGOs) in meeting the costs associated with wage and inflation pressures in 2024 (p. 7).
- \$20m in 2024-25 to assist small business and NGOs with grants to reduce energy usage and invest in energy efficient equipment.

### Early Childhood Education and Care Reform

- \$714.6m over 4yrs for early childhood education and care reform to implement the recommendations of the Royal Commission into Early Education and Care (p. 19).

## **National Skills Agreement**

\$610.3m over 4yrs to deliver on the requirements under the National Skills Agreement between the State the Commonwealth Governments (p. 8), including:

- \$275.6m for over 160,000 training places over the life of the Agreement across TAFE and non-government training providers, including a 20% increase in TAFE SA places in regional SA
- \$9.0m to support place-based responses in regional areas to connect learners, employers and trainers
- \$18.3m to Aboriginal Community Controlled Organisation training providers and TAFE SA to support lifting the proportion of Aboriginal people with a Certificate III or above
- \$56.2m to support students and increase training completion rates, including by providing mental health and wellbeing supports, help to find secure housing, manage financial stress and access the foundation skills programs.

## **Smaller, but welcome initiatives**

### **Health**

- \$23.5m over 2yrs for SA Ambulance Service to implement the electronic patient care record system (p. 38).
- \$7.6m over 2yrs for SA to build a regional integrated cancer consult suite at Mt Gambier Hospital (p. 38).
- \$15.2m over 3yrs for a tuberculosis strategy to respond to current outbreaks across SA (p. 39).
- \$5m over 4yrs for youth mental health support to fund a range of programs (p. 39).
- \$16.1m over 4yrs for tobacco and e-cigarette licensing, compliance and enforcement to expand the licensing, compliance and enforcement functions relating to the sale and supply of tobacco and e-cigarettes (p. 10).

### **Disability**

- \$212k for one year for the autism support research project aimed at assessing and boosting disability and inclusion studies in teaching degrees (p. 56).

### **Housing**

- Investment in public and community housing as part of broader housing initiatives, which include:
  - \$120.3m over 4yrs to redevelop SAHA land at Seaton for new housing (p. 67).
  - \$89m over 4yrs for new housing at Noarlunga Downs (p. 67).
  - \$30m over 3yrs for regional housing projects (p. 67).
- \$5m over 4yrs for Extension of the Aspire homelessness program to assist people experiencing recurrent homelessness in Adelaide (p. 68).

## Other measures

- \$5.1m over 4yrs for ongoing operation of Lemongrass Place (Community Transition Learning Centre) (p. 13).
- \$1.8m for one year for MarionLIFE community hub to purchase land in Mitchell Park to develop a purpose-built community hub (p. 42).
- \$1.6m over 3yrs for the extension of the multi-agency response to support the safety and wellbeing of remote Aboriginal visitors, residents and businesses in Adelaide and regional South Australia (p. 43).
- \$1.5m over 2yrs for Royal Commission into Domestic, Family and Sexual Violence - response unit to address and coordinate information requests, co-ordinate cross-government effort, and other activities associated with the Royal Commission (p. 43).
- \$3.3m for one year to continue critical domestic, family and sexual violence services pending Royal Commission recommendations (p. 41).

## Potentially good initiatives, but more information needed

- \$4.3m over 4yrs for the Children in the North Alliance to improve outcomes for children living in Adelaide's northern suburbs (p. 56).
- \$2.6m over 4yrs for preventing youth violence in African communities through early intervention and prevention (p. 57).
- \$5.4m over 2yrs for electronic security upgrades at Kurlana Tapa Youth Justice Centre (p. 41).
- \$3.4m over 4yrs for a Post Release Supported Accommodation Service repurposing the former juvenile detention centre at Cavan to provide accommodation support for 36 people who engaged in prison-based programs (p. 14).
- \$250k for 1 year for Coober Pedy assistance to support a municipal service review and plan for continuing provision of sustainable services in the Council area (p. 47).
- \$5.8m over 2yrs for accommodation for the Hydrogen Jobs Plan workforce at Whyalla during the construction phase (p. 29).

## Poor policies, not welcomed

### Housing

- \$16m over 4yrs to remove the property value cap for First Home Owner grants for new homes, effectively opening the grants to first home buyers with sufficient income to buy houses in the top half of the property market (p. 64).
- \$14m over 4yrs to remove the property value cap for the stamp duty concession for first home buyers purchasing a new home, effectively giving a \$35k boost to people buying houses at above the median house value (p. 5)

## Missed opportunities

The budget included investment funding for domestic and family violence services associated with the Royal Commission and to continue other services, but did not include any new support to expand crisis services which are under-funded and over-stretched.



Beyond one relatively small investment in youth mental health, there was an absence of any real investment in mental health services – despite the government’s own report showing that some 19,000 South Australians are missing out on support services.

SACOSS’ *Keys to the Digital World* project highlighted the importance of local libraries and community centres in regional areas in providing support and access for people to get online, but the budget contained no new funding to maintain and expand such services.

## SACOSS Budget Proposals – Outcomes

Achieved
Partially achieved
Not achieved

Area	SACOSS Proposal	Outcome
Human services	Fund half (the state's share) of the unmet needs in mental health services in SA.	Not included, with only a \$5m expenditure over four years for child and youth mental health.
Human services	An additional allocation of child protection funding for preventative expenditures	Not included.
Housing	An investment in social housing sufficient to: - build around 1,000 public and community houses per year; and - address the maintenance backlog in existing housing	There was some new investment in social housing, at Seaton, Noarlunga and regional SA, but more is still required to keep pace with population and rebuild the public housing estate. There was also welcome investment in energy efficiency of public housing.
Housing	Introduction of a 'vacancy tax' on land and buildings that are not being utilised	Not included.
Housing	An opt-in scheme of replacing stamp duty with an annual land tax	Not included, and a poorly targeted measure for first home buyers was implemented instead.
Housing	The SA Government matches retailer (customer) funding for an amended Retailer Energy Productivity Scheme	Not included.
Housing	Funding for energy smart meters education and installation site remediation	Not included.
Concessions	Increase the Cost of Living Concession for renters to the level paid to homeowners	Done. A welcome measure, and there is a one-off increase next year for all COLC recipients.
Concessions	Expand eligibility for private transport concessions to those with Health Care Cards (including the Low Income Health Care Card).	Not included, although there was an expansion along these lines for public transport concessions.
Concessions	Expand eligibility for Ambulance Cover Concessions to those with Health Care Cards.	Not included.

Concessions	Introduce a Cost of Living/energy/water concession for share-house residents	Done, with share-house residents included in the measure of 'improved access to concessions'.
Concessions	Replace the current flat-rate energy concession with a usage-based payment to better reflect need	Not included.
Concessions	Introduce a range of small concessions measures, per list on p.15 of SACOSS' Budget submission document.	Mostly done.
Regional South Australia	\$10 million be allocated annually to a regional digital inclusion fund.	Not included
Regional South Australia	Extend 'state-wide pricing' to minor and intermediate water retailers, or establish a 'Remote Area Water Supply Scheme', modelled on the scheme for energy.	Not included.
Regional South Australia	Funding for social service planning for the Upper Spencer Gulf.	Not included. There is significant investment in infrastructure and workforce for the USG, but no apparent specific money allocated to social service planning.