



2016 State Budget Overview
by the
Youth Affairs Council of Western Australia

May 18 2016

STATEMENT

YACWA Members,

We have conducted a thorough analysis of the available information from the recent State Budget, and extracted the key commitments and measures that we believe will have a direct impact on young people and the workforce supporting them in Western Australia.

This Budget has been of particular concern, as it does not address key areas of disadvantage faced by the most vulnerable young people in our community, and removes much of the financial support for community and social services that support WA. With the announcement of further Agency Expenditure Reviews, we are concerned at the potential for cuts to services and programs in the community. Of further concern is the potential for government departments to shift away from early intervention and prevention services in areas such as health, mental health, housing, and child protection. Funding has been placed in crisis and acute services without any costings, plans, or transitional measures as to how critical early intervention and prevention needs will be met, and how the inevitable extra demand on acute services will be resourced.

YACWA would have liked to see:

- A clear plan for creating jobs for young people
- A clear plan to address housing affordability
- A commitment to state Funding for the National Partnership Agreement on Homelessness
- A rethink on the terms of reference for Agency Expenditure Reviews; inviting collaboration with the not for profit sector.

As a member-based organisation, your voice is important to us, and we encourage you to share your concerns and questions with us about how the budget will affect you or the young people you work with. We commit to conveying the questions and concerns of our members to the Government, and, will continue to work with all levels of government to help them achieve meaningful outcomes for young people.

John Thomson
Acting CEO

To see the full details of the 2016 state Budget head to the following, [click here](#)

Contents

Economy overview.....	4
Cost of Living.....	6
Agency Expenditure Reviews.....	8
Department of Local Government and Communities.....	10
Mental Health Commission.....	11
Large announcements	
Education and Training	
TAFE Colleges - Revision of Financial Forecasts.....	12
Health and Mental Health	
North West Drug and Alcohol Support Program.....	14
WA Meth Strategy.....	16
Mental Health Court Diversion Program.....	18
Law and Order	
Reduction in Youth Justice services.....	20
Other Measures.....	21

Economy Overview

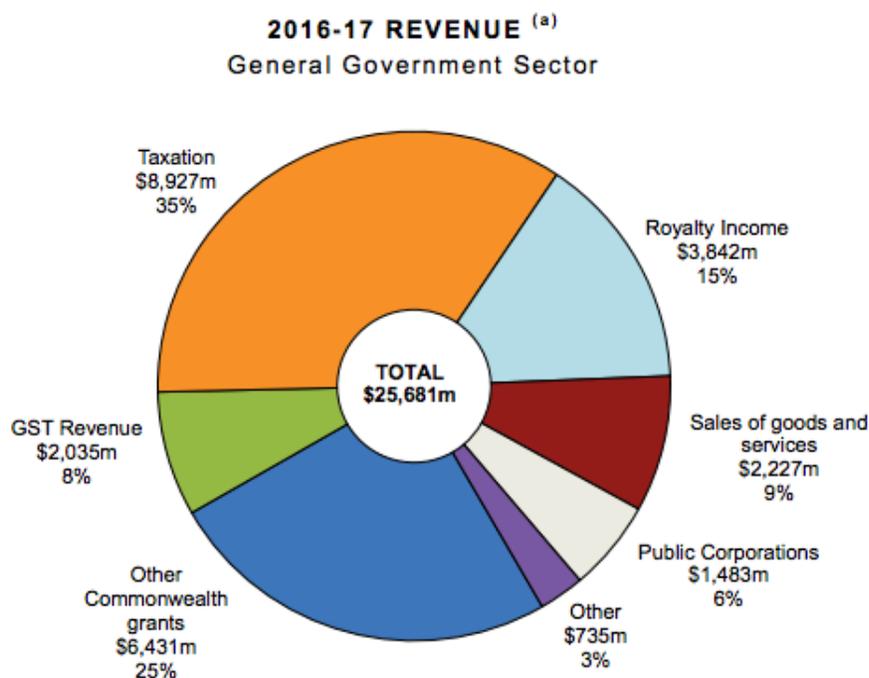
Introduction:

On Thursday 12 May, the State Government released its budget outlining confirmed spending over the last 12 months, and its plan for both spending and raising money over the future financial year. This section provides a snapshot of some important economic indicators.

The basics:

2016/17 forecast Expenditure:	\$29.5b
2016/17 forecast Revenue:	\$25.6b
2016/17 forecast Deficit/Surplus:	\$3.9b Deficit
Total state Debt forecast for 30 June 2017:	\$38.2b
Unemployment rate for 2016/17	6.75%

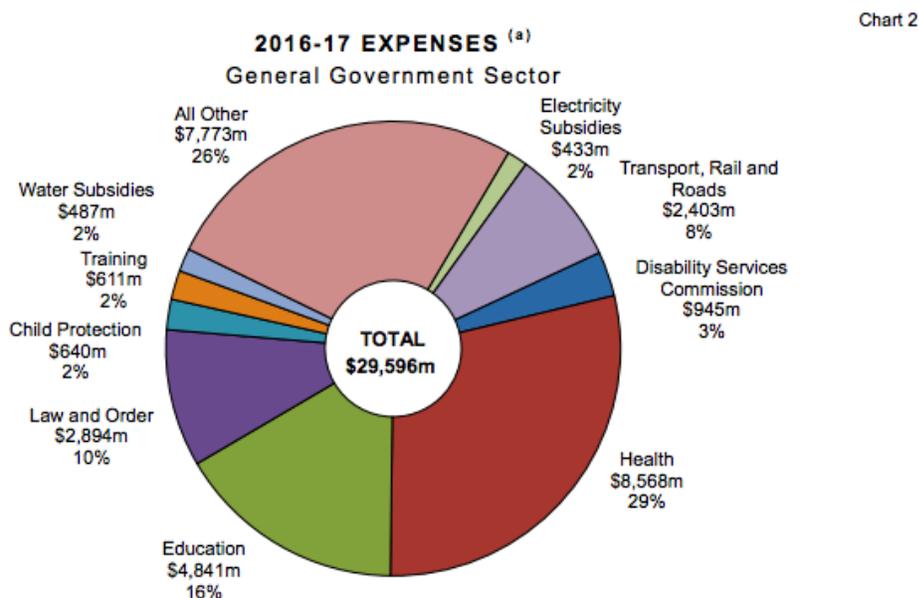
Where is State Government money coming from?



(a) Segments may not add due to rounding.
Source: 2016-17 Budget.

Royalty income, which is the third largest source of the State's revenue after taxation and Commonwealth grants, is forecast to decline by 8% in 2016-17, due largely to a lower iron ore price and a higher exchange rate in 2016-17 compared to 2015-16. You can read more about revenue and expenditure through the fact sheet [here](#).

Where is money being spent?



(a) Segments may not add due to rounding.
Source: 2016-17 Budget.

Government Priorities:

The Government has outlined several key priorities in its budget including:

- Infrastructure spending, with the intention of creating new jobs
- An extension of the Agency Expenditure Review (See below)
- Additional funding for tourism to attract people to our state
- Increases in services to Health, police services and education funding to meet population growth
- Asset Sales through the [Asset Sale Program](#)

“This government is spending on initiatives that will broaden and grow the Western Australian economy. They will create new job opportunities and increase the attractiveness of our State for business and as a tourist destination. They will support the community, improve their safety and ensure delivery of essential services.” *Mike Nahan, Treasurer, Budget Speech, 12 May*

YACWA Comment:

The government has stated that the fall in mining royalties has been a significant contributor to the deficit. The forward estimates demonstrate a small growth in part-time work, with no growth in full-time positions. This may impact young people seeking to move into a career, who are supporting a family, or those graduating from a tertiary institution. The budget also shows a disproportionate cost of living increase, affecting the lowest paid more than those who are financially secure. We are concerned that the increased cost of living, coupled with a removal of early intervention services, will significantly increase the reliance on crisis services.

Cost of Living

Cost of Living Increases (Utilities, License Fees, Insurance)

Measure:

The government has announced a raft of increases to cost of living as part of this year's budget.

Total expenditure, by the 'representative household', on Government goods and services in 2016-17 is \$5,659.92. This is an increase of \$257 or 4.76% on 2015-16 levels (see [here](#) for further information). The measures include:

- a 3% increase in residential electricity tariffs
- a 4.5% increase in the Water Corporation's total water charges (water, wastewater and drainage)
- a 2.5% increase in public transport standard fares (rounded to the nearest ten cents), with the 60 cent student fare remaining unchanged
- no change in drivers' licence fees
- a 2.5% increase in motor vehicle licence fees
- a 2.5% increase in compulsory third party (CTP) insurance premiums
- the introduction of the Catastrophic Injuries Support Scheme (CISS), which will result in vehicle owners paying an additional \$99 for the average family car
- a 4.2% increase in the Emergency Services Levy.

Context:

While it is true that Western Australian utility charges are not as high as some other states in Australia, these increases represent a consistent growth of household charges passed onto consumers. In 2015, an increase of \$198.54 or 3.81% on the previous budget was applied. In 2014, an increase of \$324.18, or 6.6% was applied. In 2013, an increase of \$234.98, or 4.93% was applied. You can view previous budget measures through the link [here](#).

Impact:

Of particular concern is the Government's lack of support and protection for low income earners. Current youth unemployment rates in [WA of 10.8 %](#) - higher in relation to overall unemployment rates, and, the currently low level of welfare payments and support available indicate that these costs will negatively impact the standards of living for many young people. Further, young people living in rental properties will be affected by this measure, as confirmed in Anglicare WA's [Rental Affordability Snapshot](#).

Catastrophic Injuries Support Scheme (CISS)

The impact of the CISS will see insurance cover for all drivers in the circumstance that an accident occurs, resulting in catastrophic injury when no one is at fault.

Comment:

Whilst the rise in consumer prices in these areas appear unavoidable, YACWA call on the government to do more to support the marginalised young people who are currently struggling to find and retain accommodation. The current economic climate, employment opportunities, education and training costs, coupled with the high costs of rental properties has increased the financial pressure for many young people.

The rise in Transperth fares is also of particular concern to young people who rely on public transport as they are less likely to have a driver's licence or to be able to afford their own vehicle. YACWA welcome the CISS as an insurance scheme to support injured drivers when no one is at fault, however notes that the initial \$99 payment is only capped for one year, and could be increased at a significant cost to young drivers.

Further Information:

[Budget paper fact sheet on cost of living](#)

[Budget paper fact sheet on the CISS](#)

For further information on the cost of living, [Click Here](#)

Expansion of Agency Expenditure Reviews (AER)

Measure:

The Government has announced a third tranche of Agency Expenditure Reviews (AERs) as part of the 2016/17 budget to be applied to remaining 54 agencies and departments of Government yet to have a review. This will result in:

- Government Departments being forced to cut 3.5% of their budgets from service delivery and programming
- A saving of \$461m in total from the 54 agencies (for a list of which departments and Agencies will be affected, [click here](#))

Context:

The Government has introduced an Agency Expenditure Review process as a means to make public departments and agencies more efficient. The Government's AER program was introduced in the 2014/15 Mid Year Review. The first tranche of AER's saw 6 departments/agencies go under review, with a further two agencies/departments scheduled for the second tranche.

The Government expanded the second tranche of agency/departments in the [2015/16 MYEFO](#) report to include:

- The Mental Health Commission
- Public Transport Authority
- The Department of Transport
- Mines and Petroleum
- Water
- Local Government and Communities

The announcements of savings from these reviews can be seen in this budget. We have featured two below that we believe will affect the youth sector. Some specific Agency and Department services have been excluded from Reviews. To see a full list of the affected agencies and the criteria for what programs and services will be cut, please see the [fact sheet here](#).

Potential Impact:

- Most significantly, the loss of programs and services Departments are currently providing to the community
 - From reviews to date, often programs that are perceived as 'non-essential' or duplicated by the not for profit sector are being de-funded, resulting in early preventative and intervention programs losing out significantly, and a higher demand being placed on acute services and the not for profit sector

- No consultation with the sectors and the community in prioritising cuts has resulted in a lack of consumer voice, and an ability to defend program cuts
- There is very little transparency around the internal decision making processes for these cuts, which makes it difficult to have a reasoned and rational discussion about cuts, and needs and priorities

Comment:

The announced extension of Agency Expenditure Reviews creates a very concerning environment of uncertainty as Departments potentially cut programs across their budgets without any consultation with the sectors and communities affected.

YACWA are concerned about the outcomes of this approach and urges the government to include the community sector in future reviews to ensure transparent, quality and effective decisions are made.

Further Information:

[Budget paper Fact Sheet](#)

Please see announcements of measures identified in this budget below

Agency Expenditure Review Outcomes: Department of Local Government and Communities

Measure:

The Department is expected to deliver savings of \$12.7 million across the forward estimates period as a result of implementing the following AER savings measures. The main measures affecting young people and the Youth sector have been outlined below. For a full list and summary, please see page 138-139 of [Budget Paper Number 3](#).

- Parenting support services are currently provided both directly through the Department's Parenting WA Program and through the community sector. The Department will cease the Parenting WA Program on 31 December 2016 and redirect funds as follows:
 - \$1 million per annum for additional parenting support services provided by the community sector
 - \$200,000 per annum to establish a cross-sector Centre for Parenting Excellence
- \$2.5 million will be saved through a reduction to various funded services and grant programs.
- Expenditure on media and promotional activities will be reduced, delivering total savings of \$556,000.
- The Department will reduce the number of printed resource materials in favour of electronic and online publications at a total saving of \$174,000.

Impact:

It is not yet clear which programs and grants will be part of the \$2.5m savings identified. In the budget papers, 'Youth Grants' has had a reduction in \$175,000, which has also been applied over the forward estimates, stripping \$700,000 in total.

Comment:

YACWA hold concern for the impact of these measures on young people, and the sector trying to support young people.

Agency Expenditure Review Outcomes: Mental Health Commission

Measure:

The Department is expected to deliver savings of \$28.5m across the forward estimates as a result of implementing the following AER savings measures. The main measures with potential to affect the Youth sector have been outlined below. For a full list and summary, please see page 146 of [Budget Paper Number 3](#).

- Savings of \$13.3 million have been identified through the cessation of contracts with non-government organisations. The programs identified for cessation by the Government are ‘those with low utilisation rates, duplicate other existing services or those that deliver non-critical services’ (see page 146 of [Budget Paper Number 3](#)).
- Expenditure will also be reduced by \$4.3 million on a number of prevention, promotion and anti-stigma programs and grants.

Impact:

- The budget papers indicate a reduction in funding for [Youth Focus](#), a youth mental health service provider, over the forward estimates. Although it is not clear if this reduction is part of the Agency Expenditure Review.
- It is not yet clear which contracts have been ended by the Commission, or which prevention, promotion and anti-stigma programs and grants will be reduced.

Comment:

YACWA hold concern for the announcement of these measures, and the lack of information available regarding what programs and grants will be de-funded or reduced. We know that for young people, early prevention, promotion and anti-stigma programs can have a huge impact on recovery of young people experiencing a mental health issue. While we welcome the increased funding for acute service delivery, we maintain that the early prevention funding must be maintained to decrease the future demand on acute services.

EDUCATION AND TRAINING

TAFE Colleges - Revision of Financial Forecasts

Measure:

Total spending by the five TAFE Colleges will decrease by \$21m over the forward estimates to reflect a reduction in operational expenditure in line with an expected softening in demand for training delivery.

In addition, the Department will continue to roll out the State's *Training Sector Reform Project* that was launched in October 2015 to examine the function and structure of WA's public training sector. The stated purpose of the Reform Project is to ensure a robust and sustainable public sector with high quality training that is accessible and equitable to the community and that supports improved outcomes for students.

Context:

In February 2016, the State Government approved the implementation of the Reform Project's recommendations, with the key change being the consolidation to 5 TAFE Colleges managing the current 70 campus locations across WA on 11 April 2016. The Reform Project's changes will introduce greater collaboration among the network of colleges, student access to more diverse training programs, and increased local community and industry collaboration to ensure students are being trained to meet local industry needs. For more information regarding the *Training Sector Reform Project*, please see report link below.

Potential Impact:

- There will be minimal impact on students enrolled in courses in 2016.
- The possibility of relocation of current courses may impact the access of students with regard to travel and transportation costs. This in turn will inflate the overall costs of attending TAFE for students. This will have an even more significant impact on regional and remote TAFE students.
- Though the consolidation to the 5 TAFE Colleges will see a streamlining of the operational and administrative costs to running TAFE WA, this will amount to at least [230 redundancies](#) in administrative jobs within the organisation. These redundancies may lead to overworked and overburdened staff, and lack of support to students.

Comment:

YACWA recognise the impetus for greater collaboration between TAFE institutions throughout WA, which will provide more opportunities for the development and delivery of high quality vocational and education training that meet local industry needs, and are informed by best practice methods.

However, YACWA are concerned that these reforms may have considerable negative impact on students, particularly in equitable access to courses in terms of location and adequate support, which has flow-on effects on the overall costs for each student.

YACWA call on the WA Government to engage in further consultation with the unions, community services sector, local industries of demand and students in order to develop a more well-informed plan on implementing the *Training Sector Reform Project*.

Further Information:

- [About the Training Sector Reform Project](#)
- [Western Australian Training Sector Reform Project - Report December 2015](#)
- [Minister for Training & Workforce Development, the Hon. Liza Harvey MLA - Media Statement](#)

News Articles:

- [ABC News - TAFE changes may lead to fewer options at WA campuses](#)

Health and Mental Health

Royalties for Regions – North West Drug and Alcohol Support Program

Measure:

Additional expenditure of \$19.2m over 2017-18 to 2019-20, funded by Royalties for Regions, has been approved to continue the Drug and Alcohol Support Program in the North West region.

Context:

The North West Drug and Alcohol Support Program runs initiatives in the Pilbara, Kimberley and Gascoyne regions to reduce alcohol and other drug (AOD) related harm within communities.

Levels of alcohol consumption and associated harms are disproportionately high within North West WA, with the following showing the proportion of individuals aged 16 years and over at high risk of lifetime alcohol-related harm within each region:

- [51%](#) in the Pilbara
- [37.8%](#) in the Midwest
- [48%](#) in the Kimberley

The program has already seen more than [35% increase](#) in the delivery of community treatment services and an associated reduction in drug and alcohol use.

The addition of \$19.2m from Royalties from Regions will see an expansion of the Program, with increased resourcing to fund the service hubs in Fitzroy Crossing, Halls Creek, Tom Price, and Newman. Furthermore, greater resources and support will be directed to the recently completed Carnarvon Dual Purpose Alcohol and Drug Centre, which is the first model in WA to co-locate a sobering-up service with a community drug service team offering a range of specialist alcohol and other drug services.

Potential Impact:

- Individuals living in the North West Regions of WA with risk of AOD related harm have greater access to support services
- There is a lack of clarity surrounding the amount of the additional funding to be allocated to prevention and early intervention services within the North West Drug and Alcohol Support Program, which tackles the issue of AOD use and misuse of young people, as well as the transgenerational misuse of AOD within these communities - particularly within Aboriginal populations

Comment:

YACWA welcome the additional funding being allocated to the North West Drug and Alcohol Support Program, as this recognises the significant challenges and barriers to overcoming AOD misuse within the North West region of WA.

YACWA urge the WA Government - in particular the Mental Health Commission - to provide details on whether funds will be allocated towards AOD prevention and early intervention initiatives, which we believe are crucial to achieving greater positive, long-term and sustainable outcomes for communities, rather than solely investing in AOD crisis intervention. We believe that by ensuring a mix of these interventions, we will tackle the issue of AOD use and misuse amongst young people, as well as the transgenerational misuse of AOD within these communities.

Further Information:

- [About the North West Drug and Alcohol Support Program](#)
- [Premier, the Hon Colin Barnett MLA; Minister for Mental Health, the Hon. Andrea Mitchell MLA; Minister for Regional Development, the Hon. Terry Redman MLA - Media Statement](#)

News Articles:

- [WA budget gives more to mental health - The West Australia, 4 May 2016](#)

Western Australian Meth strategy - New funding

Measure:

Additional expenditure of \$14.9m over 2016-17 to 2017-18 has been approved to support the expansion of existing alcohol and other drug services for methamphetamine (meth) users.

This includes the establishment of a pilot specialist amphetamine clinic, additional low medical withdrawal beds and residential rehabilitation beds, the establishment of a State Ice Help Hotline, additional staff for the Community Alcohol and Drug Service, and clinical nurse liaison positions in hospital emergency departments.

Context:

Meth use in WA has continuously increased, with the frequency with which people use meth daily increasing from [25.3%](#) in 2015, compared to 12.4% in 2010. Furthermore, a 2013 national survey found [3.8%](#) of the WA population over the age of 14 had admitted to using the drug.

Therefore, the additional funding of \$14.9m to the Mental Health Commission (\$7.4m in 2016-2017 and \$7.5m in 2017-2018) to tackle the meth use in WA will further strengthen the *WA Meth Strategy*, which other Departments will also contribute resources towards. This strategy also encompasses the *WA Police meth enforcement action plan*, which has already carried out [75 search warrants](#) and charged 96 people with 346 offences within a 9-month period in 2015.

Potential Impact:

- Greater access to support for individuals with meth addictions in WA. However, details need to be further clarified regarding whether or not the additional funding will be allocated towards prevention and early intervention initiatives, rather than just crisis intervention for meth users.
- Further details need to be provided regarding the proposal for an involuntary rehabilitation program for individuals with meth addictions, as this has been [disclosed by the Mental Health Commission](#) as an area that they have explored as a means to reduce meth use in WA.

Comment:

YACWA welcome the additional funding to the Mental Health Commission to combat methamphetamine use in WA, with meth use in the state higher than the national average with 3.8% of the population over the age of 14 years using the drug, compared to 2.1% nationally. YACWA would like to see further detail and an element of this strategy focus particularly on prevention and early intervention strategies complementary to the crisis intervention strategies.

Furthermore, YACWA are concerned with the possibility of involuntary rehabilitation for individuals with meth addictions, particularly in regards to how this would affect young people with complex needs and lived experiences of significant trauma. YACWA urge the Mental Health Commission to engage in extensive consultations with the youth and community services sector, as well as best practice health

research in this field, in order to produce a more comprehensive view that not only produces positive, long-term and sustainable outcomes, but also protects the rights of an individual.

Further Information:

- [Treasurer, the Hon. Mike Nahan MLA; Minister for Mental Health, the Hon. Andrea Mitchell MLA; Deputy Premier, the Hon. Liza Harvey MLA - Media Statement](#)

News Articles:

- [Inside the battle against WA's meth addiction - Perth Now](#)
- [Methamphetamine addicts to be forced into rehabilitation by WA Government - ABC News, 11 April 2016](#)
- [WA Government strengthens fight against methamphetamine in budget 2016-17 - Australian Indigenous Alcohol and Other Drugs Knowledge Centre](#)

Mental Health Court Diversion Program

Measure:

An additional \$9.5 million will be spent by the Commission over 2016-17 to 2018-19 to support the continuation of the Mental Health Court Diversion Program. In total, additional expenditure of \$13.1 million has been approved for this program.

Context:

Individuals with a mental illness are overrepresented at every stage of WA's criminal justice system, with approximately [3,600 adults](#) with a serious mental illness appearing before the metropolitan magistrates' courts every year.

The Mental Health Court Diversion Program provides a tailored response for individuals whose offending behaviours are linked to mental illness. Program participants are supervised by a Court while they receive holistic support that addresses the underlying causes of their offending behaviour. This approach aims to enhance participant's health and wellbeing, improve community safety, and where appropriate, provide an alternative to imprisonment.

The pilot program was established in 2013, and was a partnership between the Mental Health Commission and the Department of the Attorney General (DoTAG). It was comprised of an adult program, the Start Court, and a children's program, Links. For more information on each program, [click here](#).

A review of the pilot program found that the Start Court participants were receiving a more efficient, single system experience through greater multi-agency coordination and collaboration. However, it was too early to determine whether the program will achieve its objective of reducing reoffending.

The children's program, Links, was found to be a more efficient means to direct case management and early intervention for young people coming into contact with the criminal justice system, as well as linking disengaged young people to community based treatment, schools, accommodation and other essential services.

Therefore, the continuation of the program with the injection of an additional \$9.5m will endeavour to increase the effectiveness and positive outcomes already produced by the pilot initiative.

Potential Impact:

- Increased and improved support to adults and children with a mental illness coming into contact with the criminal justice system, particularly with regard to avenues for treatment referrals and alternatives to imprisonment, which may lead to a reduction in recidivism

- Greater inter-agency collaboration and coordination to provide adults and children with a mental illness with a single system experience, which is aligned with trauma-informed practice

Comment:

YACWA welcome the additional funding to continue the Mental Health Court Diversion Program, which has assisted the referral of 934 adults and 898 children for treatment since its inception. We believe that alternatives to imprisonment for individuals with a mental illness - particularly for young people - is a significant step towards long-term, sustainable reduction in recidivism.

Further Information:

- [About the Mental Health Court Diversion Program](#)
- [Treasurer, the Hon Mike Nahan MLA; Minister for Mental Health, the Hon. Andrea Mitchell MLA; Attorney General, the Hon. Michael Mischin MLC - Media Statement](#)
- [Mental Health Court Diversion and Support Program - Summary of 2014 Evaluation](#)
- [Department of Attorney General & Mental Health Commission - Media Statement](#)

News Articles:

- [WA mental health court program to get \\$13m - The West Australian, 24 April 2016](#)
- [New court for Perth's mentally ill - WA Today, 18 March 2013](#)

Law and Order

Reduction in Youth Justice Services

Measure:

The budget papers detail an apparent decrease in Youth Justice services over the forward estimates in comparison to a significant increase in the Adult Corrective Services funding ([see page 636, of Budget paper No2, vol 2](#)). There has also been no significant decrease in anticipated staff levels for 2016/17 ([see page 639, of Budget paper No2, vol 2](#)).

Context:

The new service delivery model, the [Youth Justice Framework](#) was created by the Department for Corrective Services in consultation with the not-for-profit sector. This framework has been designed to address the re-offending cycle of young people in the justice system by aligning government services with not for profit services. In 2015/16, 52.1% of young people in the justice system re-entered because of re-offending ([page 637, of Budget paper No2, vol 2](#)).

The budget papers state that the reduction in total Cost of Service is due to transitioning to a new model in 2016-17 focused on services mandated under the Young Offenders Act 1994 ([See page 639, Budget paper No 2, Vol 2](#)). [A tender was released](#) to the NFP sector in May for applications to receive funding to implement components of the Youth Justice Strategy Framework alongside the Department.

Potential Impact:

- Potential decrease in support for young people entering the justice system
- Potential decrease in support for young people exiting the justice systems
- Potential for high levels of re-offending to continue
- Potential continuing over representation of young Aboriginal people in the justice system

Comment:

YACWA hold some concern about the apparent reduction in funding from the Youth Justice Services area. We believe funding needs to be spent on preventative measures to help assist young people back into the community and away from re-offending behaviours and the justice system in their adult years.

YACWA are also concerned that the Department is scheduled for an Agency Expenditure Review with savings of almost \$28m forecast over 2017/18. More information is needed on this measure and we hope to continue to work constructively with the Department in this important area of work.

Further Information:

[Corrective Services Youth Justice information](#)

Other Measures

National Campaign for Reducing Violence Against Women and their Children

The Government has approved a \$1.7 million contribution over the period 2015-16 to 2016-17 to the Council of Australian Governments' Campaign for Reducing Violence Against Women and their Children

Hardship Utility Grant Scheme

An additional \$7 million has been allocated in 2016-17 for the Hardship Utility Grant Scheme (HUGS).

National Disability Insurance Scheme funding

An additional \$26m increase for expansion of the trial site of the NDIS in WA, with a \$50m increase for non-NDIS service demand.

School of Special Education Needs Services (Administered)

The Department will administer an additional \$1.5 million of grants in 2016-17 for the provision of specialist education services to non-government school students who have issues relating to medical/mental health, vision and hearing impairment.

Kimberley Girl Program

Spending of \$200,000 in 2016-17 will enable the Kimberley Girl Program to continue, which has the objective of empowering young Indigenous women in the Kimberley region, building leadership skills and creating strong community role models.