



Western Australian Network of  
Alcohol & other Drug Agencies

## WANADA 2016 Federal Budget Summary

On Tuesday 3 May 2016 the Turnbull Government released the 2016 Federal Budget.

As the Prime Minister is expected to shortly call a double dissolution election, the budget measures announced represent a significant portion of the Government's bid for re-election. However, additional announcements are expected early in the election campaign: the Federal Budget contains approximately \$1.6 billion in **unannounced spending measures** and in 2019 **an undisclosed saving** of almost \$2 billion.

As anticipated, the theme of the Federal Budget was one of fiscal constraint. A minimal number of reforms were announced, with the focus largely on company tax, the middle income tax bracket and superannuation.

There were few announcements of relevance to the Alcohol and Other Drug Sector. With little in regards to new initiatives, the focus was largely on implementing existing actions, revising program expenditure, and identifying taxation measures to contribute to general revenue. Budget announcements and allocations of note include:

- \$10.5 million across 2016-17 to 2019-20 for **Fetal Alcohol Spectrum Disorders (FASD)** measures. Funding will be used to establish a national FASD clinical network and information hub. Evidence-based models will be rolled out for some communities, with the benchmark being the Fitzroy Crossing Marulu Liliwan Project.
- The Department of Health's **Flexible Funds program** will again see paused indexation and efficiency improvements (including the reduction of uncommitted funds). This will result in a \$182.2 million saving over three years. Approximately \$13.5 million will be removed from Preventative Health and Chronic Disease Support, \$1 million will be removed from Health Peak and Advisory Bodies, and \$800,000 will be removed from Health Policy Research and Analysis. A revised program structure will commence on 1 July 2016. Guidelines governing funding arrangements will be progressively issued for the new programs from 2016-17.
- The **excise on tobacco products** is set to rise in a series of 12.5 per cent increments over the next four years, generating an estimated \$4.7 billion over this period.
- The **Wine Equalisation Tax Rebate** will see a reduced rebate cap introduced over the coming years (dropped from \$500,000 to \$350,000 on 1 July 2017 and to \$290,000 on 1 July 2018). The eligibility of the rebate will also be tightened from 1 July 2019. These measures are predicted to result in saving across the forward estimates of approximately \$300 million.

Within the budget, the Department of Health continues to have a Preventative Health and Chronic Disease Support program (Program 2.4, with a total allocation of \$417.3 million for 2016/17). Objective E of this program focusses upon reducing harm to individuals and communities from misuse of alcohol, pharmaceuticals and use of illicit drugs. Actions under this program objective include:

- The (re-)establishment of a **Ministerial Forum on Alcohol and Drugs**, which will report directly to the Council of Australian Governments;
- The implementation of measures announced through the **Government's response to the report of the National Ice Taskforce and National Ice Action Strategy**;
- Service delivery support and education initiatives to reduce the prevalence and impact of **FASD**;
- The next **Australian National Drug Strategy Household Survey**, being conducted in 2016/17;
- Ongoing funding for the **National Coronial Information System**; and
- The establishment of a **Centre for Clinical Excellence for Emerging Drugs of Concern** during 2016/17.

## WANADA's Position

WANADA welcomes the additional funding for FASD, however remains concerned about the impact of continued cuts to the Flexible Funds program. It is not clear (other than "paused indexation") if there will be any impact on the Substance Misuse Service Delivery Grants Fund (SMSDGF).

There is no mention of the Non-Government Organisation Treatment Grants Program (NGO-TGP) funding in the budget statement.

While there are no standout announcements related to Aboriginal Health funding, the West Australian Aboriginal Legal Service has reported that as a result of the Federal Budget it will experience a funding shortfall of approximately \$800,000 in 2017. Community Legal Centres, Legal Aid providers, and Family Violence Prevention Legal Services are also affected.

If more information comes to hand about relevant funding WANADA will let members know.

WANADA will also ensure this budget informs WANADA's campaign for the 2016 Federal Election, and will keep members informed of what we have planned and major developments.

For more information, or if you have any specific enquiries, please contact Ethan James at [ethan.james@wanada.org.au](mailto:ethan.james@wanada.org.au).

**6 May 2016**