

### Foreword

The 2022-23 Queensland Budget reflects investment that will improve the lives of Queenslanders. Health, local place-based infrastructure and supports for children and young people have all been prioritised. Bill relief for energy consumers and transparency in relation to community sector funding is also welcome. Unfortunately, the lack of sustained, increased investment in social housing means that solving Queensland's housing crisis is not currently on the Queensland Government's list of priorities.

In the context of COVID-19, multiple extreme weather events, and a parliamentary inquiry examining social isolation and loneliness, the importance of community connection and local supports has been demonstrated time and time again. For many Queenslanders in crisis or seeking connection, Neighbourhood and Community Centres (NCCs) are the first port of call. NCCs are essential community hubs; they provide programs that help to overcome social isolation and loneliness and facilitate connection as well as emergency food relief, counselling, emergency case-coordination and referrals to specialist services. The increase of base funding to \$230,000 in this budget will help to alleviate the financial pressure NCCs have been operating under and mean more place-based infrastructure and supports for local people.

QCOSS welcomes the extension of financial support for young Queenslanders leaving out-of-home care until they are 21. All 18-year-olds need support as they navigate the first years of adulthood. This investment will mean three more years of stability for young people leaving state care and should help to reduce the number of young people experiencing homelessness.

With cost-of-living pressures being such a significant concern for so many Queenslanders, QCOSS also welcomes the \$6.8 billion in concessions and rebates to lower the cost of living for low-income families, including the \$385 million to lower electricity bills. While these concessions are welcome, the government should do more to prevent financial hardship for low-income families in an equitable and sustainable way. It is disappointing to see that the government will raise substantial revenue from increases in fines and penalties, which will disproportionately impact low-income households.

The recent mental health inquiry highlighted demand pressures put on the state's mental health system. Developing a dedicated funding source for mental health is a promising and crucial first step to transforming Queensland's mental health sector. However, the government must ensure the funds are used to build community-based preventative services and alternatives to emergency departments.

This budget contains specific initiatives to benefit women. This includes significant new funding to overhaul laws and practices to better protect Queensland women from domestic and family violence. While these investments are much needed, the budget does not go far enough to address women's economic security. It does not address a key commitment made by the Queensland Government in the Women's Strategy, which is to enhance gender-aware budgeting approaches in government policy and decision-making.

The cost of delivering community services has increased significantly. Unfortunately, the 2.88% indexation, which is reflected in this budget and should be applied to all community sector funding, goes no way to funding these costs. This month's welcome decision of the Fair Work Commission decision to increase minimum and award wages, together with the superannuation guarantee increase, result in a minimum of a 5.1% increase in labour costs for community organisations. To prevent cuts to services and job losses it is imperative that this year's rate of indexation be re-visited.

In last year's budget, the Queensland Government elevated housing investment. To address Queensland's housing crisis, characterised by record-low rental availability, increased rents and a population the size of Gympie on our social housing register, sustained investment and accelerated construction is required. By providing no new funding for social housing, this budget signals that the crisis will not only continue, but will likely increase in severity, and our services will struggle to house families across Queensland who are living in cars, tents and motels.

This year's budget tells the story of a strong economy and prosperous state. It is the responsibility of all of us to ensure that this good fortune is shared by all Queenslanders. Now is the time to ensure every Queenslanders has a roof over their head.

Aimee McVeigh

CEO, Queensland Council of Social Service

## Supporting local community services

Queensland's community sector is a key contributor to the economic and social fabric of Queensland and works to improve the quality of life of people accessing their services, as well as the wider community. Across Queensland, community organisations employ approximately 114,700 full time persons and 124,400 part time persons.

### Significant additional funding

- \$125.6 million over 4 years, and \$19 million per annum will be allocated to **strengthen social services** in Queensland. This includes:
  - \$74.9 million over 4 years, beginning with \$17.1 million per annum ongoing provided towards neighbourhood and community centres and to actions responding to the Queensland Parliament Community Support and Services Committee Inquiry into Social Isolation and Loneliness in Queensland
  - \$3 million over 5 years and \$619,000 per annum ongoing will be provided for the operation of four neighbourhood and community centres in Manoora, Kallangur, Thursday Island and Yarrabilba
  - \$48 million in infrastructure spending over 4 years will be provided to build new neighbourhood and community centres and redevelop and upgrade existing centres
  - following a successful trial of 12 Community Connect Workers in neighbourhood and community centres, the Queensland Government will expand the program to 20 workers in select neighbourhood and community centres across the state.
- \$1.645 billion over 5 years for **mental health services**, which is to be funded by a new mental health levy. This includes:
  - \$1.226 billion in expenditure to improve mental health, alcohol and other drugs services, as well as the suicide prevention system of care and support
  - an additional \$28.5 million in capital funding to support the Better Care Together plan for mental health, alcohol and other drug services
  - a Mental Health Levy will be introduced to provide a sustainable funding source for mental health expense measures. This will be derived from a payroll tax of 2.5 cents for every \$10 taxable wages above \$10 million, and 5 cents for every \$10 of taxable wages for very large businesses with payrolls of \$100 million. The levy is expected to be applied to fewer than 6,000 businesses in Queensland. Where this measure raises excess revenue, additional funding will be allocated to future capital / infrastructure initiatives.
- Funding of \$350 million has been provided for responses to the **Hear Her Voice recommendations**. Funding measures that may impact the community sector include:
  - \$4 million over 4 years for improving service system responses in funding peak industry body for all specialist DFV services
  - \$25.5 million over 4 years to develop state-wide network of perpetrators intervention programs for holding perpetrators accountable to stop violence
  - \$3 million over 4 years to fund First Nations communities for DFV related initiatives.
- \$12.2 million over 4 years and \$2.8 million ongoing has been provided to **support seniors** in Queensland, including to expand elder abuse services provided under the Seniors Legal and Support Services (SLASS) program.
- \$5 million over 4 years and \$764,000 per annum ongoing has been provided to the Queensland Human Rights Commission to **increase capacity of frontline services** in handling complaints and enquiries, in particular, COVID-19 matters. It is uncertain whether frontline services will include community sector workers.

## Analysis

QCOSS welcomes the significant investment in neighbourhood and community centres. The Parliamentary Inquiry into Social Isolation and Loneliness highlighted neighbourhood centres as a connection point and lifeline for many Queenslanders in both metropolitan and regional areas. From an economic perspective, a recent report from Neighbourhood Centres Queensland showed that for every \$1 invested by the Queensland Government, neighbourhood and community centres produce \$4.81 in community value.

The increase in funding announced in the Queensland budget will mean a rise of \$51.8 million in operational funding over four years for neighbourhood and community centres. This will lift the minimum base funding for existing government funded centres to \$230,000 per annum, up from the current minimum of \$124,000.

In recent years, there has been a significant gap between indexation and direct labour cost increases for community organisations. The recent increases to superannuation and the Fair Work Commission's June 2022 decision to increase award wages will result in an increase of at least 5.1% in labour costs for community organisations. However, the 2022-23 Queensland budget provides for indexation of only 2.88% to community sector funding. The indexation of community sector organisations must incorporate the increase of 5.1% in labour costs.

Developing a dedicated funding source for mental health is a promising and crucial first step to transforming Queensland's mental health sector. The Queensland Government must ensure the funds are used to build community-based preventative services and alternatives to emergency departments. It is not yet clear which mental health services will benefit from the mental health levy and by how much. The Government must work with community organisations to ensure frontline services are adequately funded to meet growing demand.

QCOSS welcomes the budget measures to increase capacity for addressing elder abuse to ensure Queenslanders will have equitable access to important services, such as those provided by the Seniors Legal and Support Services (SLASS) program.

## Building more social and affordable housing

Queensland is in the grip of a housing crisis. There are more than 50,000 people on Queensland's social housing register, regional towns and cities have rental vacancy rates below one per cent, and metropolitan suburbs have seen average weekly rent increases of more than \$100 over the past year.

Forty per cent of the people accessing specialist homelessness services in Queensland in 2019-20 were between 0 to 19 years old. Despite this, the social housing system is primarily designed for adults and not for children or young people who need to develop independent living skills and require longer term support.

### Significant additional funding

- Additional \$400,000 committed to **extend support to young people leaving care** including:
  - funding to support implementation and evaluation, from 2022-23
  - carer's allowances extended for 19- to 21-year-olds remaining at home, from 2023-24
  - financial support to live independently for 18- to 21-year-olds leaving non-family-based care, from 2023-24.
- \$29.8 million committed to **youth housing and homelessness** over 4 years made up of:
  - additional funding of \$27 million over 3 years and \$10 million per annum to deliver new frontline service initiatives.
  - internal funding of \$2.8 million funded for these initiatives in 2022-23 financial year.
- \$5 million allocated to build the capacity of Community Housing Providers and incentivise further participation in market processes under the Housing Investment Fund.

### Analysis

In 2021, the Queensland Government announced a \$1.9 billion capital investment into building 2,765 new social housing dwellings across the state and \$1 billion for building an additional 3,600 dwellings. In 2021-22 (as at 12 June), the Government completed only 326 new social home constructions, down from 631 the year before.

The social housing register has grown by almost 80% over the past four years. With 50,301 Queenslanders waiting on that register for housing, the current investment is not enough to end the housing crisis.

In 2022-23, the Government's target for the average wait time on the social housing register has been increased from 8 to 12 months. This is a concerning decision, indicating that outcomes for people on the social housing register are unlikely to improve in the next 12 months.

This budget delivers a much needed investment for young people in stages of critical transition into independent living, with support to be provided to children in out-of-home care until the age of 21. To complement this, and to align with the *Housing and Homelessness Action Plan 2021-2025*, this budget has also increased investment into support for young people experiencing homelessness.

While this is a welcome initiative, the Queensland Government has missed the opportunity to further expand the Housing Investment Fund and accelerate housing growth and deliver necessary developments in affordability. Further investment and accelerated construction are urgently needed.

## Advancing gender equality

Gender equality and progress towards economic security for women require concerted investment, reform, and mainstreaming across all policy areas. The Queensland Government recently launched the *Queensland Women's Strategy 2022-27*, which outlines the Government's vision for gender equality. QCOSS supports the commitments outlined in the Strategy, including the primary focus on economic security for women.

### Significant additional funding

This budget includes significant new funding to overhaul laws and practices to better protect Queensland women from domestic and family violence. This includes:

- Funding of \$350 million over four years for responses to the recommendations outlined in the **Hear her Voice report**. This includes:
  - \$9.3 million over four years for a strategy to address over-representation of First Nations Peoples; and establish the Office of the Chief First Nations Justice Officer
  - \$15.5 million to enhance implementation of respectful relationships education
  - \$16.3 million for a state-wide communication and engagement strategy; and develop a primary prevention plan
  - \$25.5 million to develop a state-wide network of perpetrator intervention programs
  - \$22.9 million to trial and evaluate mobile co-responder models
  - \$17.5 million for DFV and coercive-control training and education
  - \$60.4 million for specialist DFV courts
  - \$22.4 million for monitoring, evaluation and governance initiatives including improving data collection and reporting capabilities.
- \$11.9 million over four years has been provided for the **Women in Custody program**, continuing frontline specialist support to women in contact with the criminal justice system to reduce risk of entering or returning to prison
- \$578,000 has been provided over two years to further develop responses for the **needs of women with a disability and their children experiencing domestic and family violence**.

### Analysis

The Queensland Government has made significant welcome investments to better protect women from domestic and family violence.

However, the budget does not go far enough to address women's economic security, which is central to achieving every other aspect of gender equality. Significant gender gaps still persist for women with respect to labour force participation and wages. Women are also more likely to be employed in part-time and insecure work compared to men and perform the bulk of unpaid care work. These systemic issues cannot be addressed unless gender is mainstreamed across all policy areas.

This budget does not address a key commitment made by the Queensland Government in the Women's Strategy, which is to enhance gender-aware budgeting approaches and ensure gender impacts are considered in government policy and decision-making.

The Women's Budget Statement highlights existing funding for initiatives that "also include" women and people from culturally and linguistically diverse (CALD) backgrounds. Examples include the \$1.908 billion investment in housing, the \$140 million Back to Work program, the Small Business Grants and the Mentoring for Growth Program and the \$7.7 million elder abuse prevention program. The Women's Budget Statement does not provide clear or substantive detail on whether gender impact assessments have been used to tailor investments in programs, services, and infrastructure.

Outside of the responses to the *Hear her Voice* recommendations, there is no indication of the government's commitment to collect, monitor and analyse gender disaggregated data for all policies and programs.

## Cost of living

QCOSS' vision is for equality, opportunity and wellbeing for every person in all communities in Queensland. Everyone should be able to access and afford the basics in life without going into debt.

### Significant additional funding

- An estimated \$6.786 billion in **concessions and support measures** in 2022-23, including energy rebates, targeted discounts and subsidies to lower the cost of living for low-income families, eligible seniors, pensioners and veterans. This includes:
  - \$541.3 million for the Government Managed Housing Rental Rebate, with an estimated yearly subsidy of \$9,895 per year
  - \$20.3 million for the National Rental Affordability Scheme
  - \$23.2 million for the Home Assist Secure program to assist clients who are unable to pay for critical maintenance services
  - \$30.7 million in interest-free rental bond loans may be advanced to an estimated 25,000 clients who cannot afford to pay a full bond to move into private rental accommodation
  - \$76.4 million in textbook and resource allowance for parents/caregivers to assist with the cost of learning resources
  - total of \$568.6 million to Energy Queensland Uniform Tariff Policy to ensure all Queensland non-market electricity customers of a similar type pay a similar price regardless of where they live
  - \$243 million for the Electricity Rebate Scheme, providing approximately \$372 per annum to assist with the cost of domestic electricity supply
  - \$2.14 billion in general public transport concessions across Queensland.
- Additional funding of \$385 million to provide Queensland households with a one-off **Cost-of-Living Rebate** of \$175 on their electricity bill from September.
- Additional funding of \$263 million over four years to support **kindergarten funding reform** to reduce out-of-pocket expenses for families, increase disability funding and implement educational needs funding for children in Queensland attending a kindergarten.
- Additional funding of \$27.2 million over four years for the **Taxi Subsidy Scheme** arising from an increase in taxi fares, an increase in the subsidy cap from \$25 to \$30, and to meet increased costs associated with lift payments.

### Analysis

Cost of living is one of the most significant issues Queenslanders are currently facing. Additional funding provided for the Cost-of-Living Rebate is welcome.

The rising cost of living is demonstrated by funding for the Government Managed Housing Rental Rebate being increased from \$486 million in 2021-22 to \$541.3 million in 2022-23, due to an increase in private market rents. The Government Managed Housing Rental Rebate targets low-income families and individuals and represents the difference between the estimated rents that would be payable in the private market and rent that is charged by government based on household income. This assistance is provided to approximately 54,700 households.

The Queensland Budget notes that major fines revenue is forecast to grow by 43.6 per cent in 2022-23, partly driven by the increase in penalties for high-risk driving offences. This includes mobile phone and seatbelt offences, and the planned rollout of additional detection cameras. This is concerning for low-income and disadvantaged households who are disproportionately impacted by fines and penalties and results in households having to manage unplanned debts. As per the 2021 Living Affordability in Queensland report, QCOSS recommends the SPER Hardship Partnership Program be expanded to incorporate a wider range of organisations, and to apply forgiveness of debt for households that are severely disadvantaged or severely indebted.

## Energy transformation for low-income households

The Queensland Government will soon release a ten-year Energy Plan. QCOSS hopes the Energy Plan will chart a clear course to a fair, inclusive, sustainable, net-zero carbon energy system that delivers energy as an affordable essential service and actively improves outcomes for all people, the community and environment.

### Significant additional funding

- Additional \$385 million for the **Cost-of-Living Rebate**, where Queensland households will receive a one-off rebate of \$175 on their electricity bill from September
- Additional \$10 million over two years for a **Queensland Microgrid Pilot Fund**, aimed at boosting resilience of regional communities to extreme weather conditions
- Additional spending in **renewable energy and energy storage**, with the aims of helping Queensland transition towards a cleaner energy future; and keeping energy prices low. Additional spending announced includes:
  - additional \$35 million in 2022-23 for feasibility works on pumped hydro energy opportunities
  - additional \$15 million in 2022-23 to support scaling-up the National Battery Testing Centre in Brisbane, a facility that gives prospective battery manufacturers the opportunity to calibrate and certify their products.
- Additional \$55 million over 3 years for **Zero Emission Vehicle (ZEV) purchase subsidies and charging infrastructure**. The ZEV purchase subsidy is a \$3,000 incentive for anyone buying an electric vehicle upfront to the value of \$58,000.

### Analysis

QCOSS is pleased to welcome the Cost-of-Living Rebate announced in this budget, providing Queensland households with a one-off rebate of \$175 credited to their electricity bill from September. The rebate will provide bill relief during a time of significant need, as Queenslanders continue to navigate the economic impact of the COVID-19 pandemic, while also facing rising energy prices. QCOSS also appreciates other existing targeted measures for energy consumers, such as energy concessions and rebates available for eligible households, and measures to support equitable electricity prices for regional Queensland customers. However, further bill relief measures targeted to vulnerable members of the community who are most in need of financial support are required.

QCOSS is pleased to see additional spending on renewable energy projects announced in this budget, noting intentions to transition towards a cleaner energy future, and to keep electricity prices low for Queensland households.

QCOSS welcomes the Queensland Government's commitment to release the ten-year Energy Plan in 2022. It is hoped the Energy Plan will ensure an equitable transition by improving household energy efficiency; delivering essential household energy infrastructure and a faster rollout of smart meters; developing a roadmap and plan for Queensland's remote communities; and increasing access to energy technology. QCOSS looks forward to the release of the Energy Plan, and hopes it will reflect a progressive, equitable, and inclusive strategy, where no one is left behind.



*QCOSS acknowledges Aboriginal and Torres Strait Islander people as the original inhabitants of Australia and recognises these unique cultures as part of the cultural heritage of all Australians. We pay respect to the Elders of this land; past and present.*