

# Queensland Budget | 2024 – 2025

## Reduce the cost of living

Queenslanders on low incomes require urgent cost of living assistance.

Queensland's economy is recovering from the COVID-19 pandemic and inflation has significantly increased household cost-of-living pressures. In Brisbane, for instance, the overall yearly inflation rate of 6.3 per cent was slightly higher than Australia's (at 6 per cent) and the city leads the nation with the highest rent, energy, insurance and health price increases.<sup>1</sup> Economists predict that if wages do not increase, household consumption may continue to fall, resulting in further cost-of-living pressures.<sup>2</sup>

According to the *QCOSS Living Affordability in Queensland 2023* report, people on low incomes continue to spend most of their income on expenses such as housing, food, electricity, transport, phone, health and internet services and most of these households cannot currently afford these basics. As a result, any movement in the costs of these essentials has a significant impact on household budgets and exacerbates financial stress.

In 2023, there have been an additional 10,000 calls to the National Debt Helpline, where 60 per cent of those who access financial counselling are women in financial distress.<sup>1</sup>

Concerningly, high international coal and gas prices and rolling breakdowns at Queensland's ageing coal and gas power stations are creating upward pressure on power bills.<sup>2,3</sup> At the same time, Queenslanders are dealing with more frequent and extreme weather events fuelled by climate change – such as heatwaves, floods and fires. The cost of these disasters add to grocery bills and drives up the cost of living.

Over the last year, the Queensland Government has made significant progress towards bringing down power bills for Queenslanders and creating a plan for a clean energy powered Sunshine State. In 2023–2024, energy bill support available to Queenslanders will be the highest in the nation. The \$1.48 billion package for electricity bill support, together with historic investment in generation and storage of renewable energy, are short and long-term measures to support the transition to a decarbonised economy. While these supports have been welcome, ongoing supports are needed to reduce the cost of living for vulnerable Queenslanders.

As a priority, the 2024–2025 Queensland Budget should:

<sup>1</sup> The Hon Amanda Rishworth MP. Ministers for the Department of Social Services. Financial Counselling Australia 2023 National Conference. [Financial Counselling Australia 2023 National Conference | Department of Social Services Ministers \(dss.gov.au\)](#). 17 May 2023. Speech

<sup>2</sup> Australian Energy Regulator. (2023). *Default market offer prices 2023–24: Final determination* (AER reference: 64687). [Default market offer prices 2023–24 | Australian Energy Regulator \(aer.gov.au\)](#)

<sup>3</sup> Australian Energy Regulator. (2023). *AER reports on high wholesale electricity prices in Qld, NSW and SA*. (AER reference: AC 65/23). [AER reports on high wholesale electricity prices in Qld, NSW and SA | Australian Energy Regulator](#)

## 1. Increase funding to financial counselling services

Financial Counsellors assist Queenslanders experiencing financial difficulty. They identify the financial issues people are experiencing and develop tailored strategies to provide them with support to overcome these issues.

For a low-income household, unplanned expenses are often funded through debt. As a result, low-income earners are the most likely to carry ongoing balances on their credit cards and loans, and therefore pay more in interest, compared to high-income earners.<sup>4</sup> Individuals with multiple Buy Now Pay Later accounts tend to be of a lower socioeconomic status and are more likely to be receiving government assistance.<sup>5</sup>

Against a backdrop of the housing and cost-of-living crises, QCOSS members have emphasised the increasing demand for financial counselling services. While community services offering holistic and place-based support hold an important role in identifying financial issues and providing general support or referrals, many are not sufficiently equipped to cope with the complexities presented by clients requiring debt management and advocacy. Access to Financial Counselling is therefore critical to supporting low-income families to recover from financial hardship, but high waitlists prevent this.

As at June 2023, Queensland only had a total of 93 registered Financial Counsellors. This is a lower per capita rate than other large states such as Victoria and New South Wales. To reduce the impact of the cost-of-living crisis, the Queensland Government must provide funding to increase the number of Financial Counsellors, ensuring service gaps in regional areas of Queensland are addressed.

QCOSS' recent research into the accessibility of cost-of-living supports found that a coordinated and strategic response to financial inclusion was critical. This must involve a partnership approach that includes both financial counselling services and the wider community services sector. The establishment of a renewed Financial Inclusion Action Plan or similar initiative would address current cost-of-living concerns for low-income households and enable systemic financial inclusion.

## 2. Reduce digital disadvantage

According to QCOSS members, digital exclusion is having a significant, increasingly negative impact on service users. The Australian Digital Inclusion Index (ADII) shows that Queensland sits behind the Australian Capital Territory, New South Wales, Western Australia and Victoria across all digital inclusion access and ability measures.<sup>6</sup> Additionally, affordability in Queensland is low with a higher proportion of household income spent on digital access and services than most other states and territories.<sup>7</sup>

People accessing community services are often in complex situations and circumstances, experiencing varying levels of social and economic marginalisation and disadvantage. Among this group, digital inclusion and the education, health, social and financial benefits of being connected remain out of reach. This further perpetuates the complexities and hardship the service user is faced with. For example, the Australian Communications Consumer Action Network's consumer check-in survey found that lack of access was dire among remote and First Nations populations. Over half (53.3 per cent) of First Nations people 'sometimes', 'often' or 'always' sacrifice essentials such as food or bills to stay connected, compared to 19.1 per cent of non-First Nations people.<sup>8</sup>

<sup>4</sup> O'Brien L, Ramsay I, Ali P. The role of credit cards, payday loans, consumer leases and buy-now-pay-later products in personal insolvency. *Insolvency Law Journal*. 2022;30(3):160-170.

<sup>5</sup> Boshoff E, Grafton D, Grant AR, Watkins J. Buy now pay later: Multiple accounts and the credit system in Australia. Available at SSRN 4216008. 2022.

<sup>6</sup> Australian Digital Inclusion Index <https://digitalinclusionindex.org.au/>

<sup>7</sup> Bridging Queensland's Digital Divide Digital exclusion is a significant driver of human disadvantage in the modern world. September 2021. [210903-Full-report.pdf](https://www.mckellinstitute.org.au/wp-content/uploads/2021/09/210903-Full-report.pdf) (mckellinstitute.org.au). Felix Zerbib / Rachel Nolan / Edward Cavanough / Scott Brown

<sup>8</sup> Featherstone D, Ormond-Parker L, Ganley L, Thomas J, Parkinson, S, Hegarty K, Kennedy J, Holcombe-James I, Valenta L, Hawkins, L (2023) Mapping the Digital Gap: 2023 Outcomes Report, Melbourne: ARC Centre of Excellence for Automated Decision-Making and Society

Community organisations are well placed to understand the impact and challenges associated with digital exclusion on populations experiencing vulnerability and marginalisation. Digital exclusion has been observed to impede service users' ability to access government assistance and social supports, while increasing social isolation and further perpetuating disadvantage.

Addressing the impact of digital exclusion has become a critical element of service provision for community organisations. Due to a lack of digital literacy and access to online information, people are not equipped to seek necessary support independently. According to QCOSS member organisations, this commonly results in the person 'falling behind in learning and job opportunities.' The flow-on impact is a greater number of people seeking support from community organisations.

Digital exclusion adds an additional level of complexity for frontline community workers and is often not recognised for funding purposes, despite the fact that support activities for individuals, such as assistance with completing online forms and accessing digital devices, involve a significant amount of time.

In 2021, QCOSS partnered with The McKell Institute to publish [Bridging Queensland's Digital Divide](#). This report outlines a series of recommendations that must be funded in the Queensland State Budget, including:

- Develop a 10-year Digital Inclusion Roadmap in consultation with industry, social service providers and the community.
- Increase funding for digital literacy programs to evolve and scale existing successful programs and develop new programs targeting other digitally excluded cohorts.
- Audit infrastructure, digital equipment and resourcing needs of public libraries, Indigenous Knowledge Centres and community and neighbourhood centres to fully enable them to act as digital access and support hubs.
- Ensure all low income, vulnerable and remote students can access suitable connectivity and devices at school and at home.

### 3. Reduce food insecurity

Findings from the QCOSS Living Affordability in Queensland 2023 report indicate that the cost of a recommended diet is increasing in Brisbane at a faster rate than the cost of an unhealthy 'habitual' diet. The general cost of food in remote areas across Queensland is also substantially higher when compared to regional and inner-city locations.<sup>9,10</sup>

QCOSS member organisations regularly highlight increased demand for food relief services, as other areas of daily expenditure also continue to rise rapidly.

The [Foodbank Hunger Report 2023](#) estimates that 3.7 million households in Australia experienced food insecurity in the last 12 months. In Queensland, 23 per cent of households are actively going hungry, reducing their food intake, skipping meals, or going entire days without eating. It has been noted that 22 per cent of Queenslanders experiencing hunger were children, with many children going to school without breakfast or lunch.<sup>11</sup>

Additional funding must be provided to increase the capacity of food relief providers. This funding should ensure food relief can be provided across all regions of Queensland and enable community service providers to distribute food to their communities.

<sup>9</sup> Lee A, Patay D, Herron L-M, Parnell Harrison E, Lewis M. Affordability of current, and healthy, more equitable, sustainable diets by area of socioeconomic disadvantage and remoteness in Queensland: Insights into food choice. *International Journal for Equity in Health*. 2021;20(1):153.

<sup>10</sup> Lee AJ, Patay D, Summons S, et al. Cost and affordability of healthy, equitable and more sustainable diets in the Torres Strait Islands. *Australian and New Zealand Journal of Public Health*. 2022;46(3):340-345.

<sup>11</sup> Foodbank Australia. Hungry Queensland children fall through the cracks. <https://www.foodbank.org.au/hungry-queensland-children/?state=qld>. Published 2023. Accessed 27 October 2023.

## 4. Provide ongoing bill relief and help low-income households access the energy transition

As Queensland's energy system transitions to a low-carbon base, targeted measures are required to ensure an equitable distribution of benefits. This requires the implementation of strategies that support all consumers to access new energy technologies, such as rooftop solar.

QCOSS is a member of the Power Together Alliance, which is seeking to unlock the powers of renewable energy and energy efficiency to reduce cost of living pressures for all Queenslanders. We also want to make sure we are building stronger, resilient communities that are better equipped to manage the impacts of more extreme weather events.

To achieve these goals, the Queensland Government must implement the following [Power Together Alliance asks](#):

- commit to continuing the electricity bills rebate to vulnerable Queensland households while electricity costs remain high
- assist the most vulnerable social housing tenants slash their power bills by rolling out a Virtual Power Plant (VPP) on an initial 10,000 dwellings
- provide support for at least an initial 10,000 private rental properties to install bill-busting solar
- help improve the energy literacy and engagement of Queenslanders in the electricity system by supporting community power hubs
- provide more targeted financial support for renters and vulnerable households in the rollout of household clean technology, such as small-scale solar and storage, energy efficiency upgrades and electric appliances to replace gas
- work with the Federal Government and other Australian states and territories to deliver an ambitious National Framework for Minimum Energy Efficiency Rental Requirements, and ensure mandatory minimum energy efficiency rental standards are implemented as soon as possible in Queensland. Mandatory disclosure of rental energy efficiency ratings should also be implemented to ensure compliance
- bring online more publicly-owned renewable energy projects sooner so that the Sunshine State has at least 10 GW of large-scale renewable energy by the end of 2025
- provide direct sustainable funding into community-based organisations across Queensland with an initial allocation of \$10 million to enhance climate resilience
- expand the Resilient Home Grants Criteria to at a minimum enable apartment buildings to access the funding
- provide accessible insurance options for individuals with lower incomes by providing insurance microfinance trials combined with a community led education campaign. This will support the most vulnerable in society having a safety net and mitigate disaster-induced poverty cycles, enhancing resilience
- update the Queensland Building and Construction Commission Act 1991 to implement strict location restrictions for housing development in high climate impact risk areas. The code should also integrate mandatory minimum resilience standards into the building code, ensuring developers adhere to essential criteria for enhancing property resilience.