

8 February 2024  
Select Committee on Cost of Living  
PO Box 6100  
Parliament House  
By email: [costoflivingq.sen@aph.gov.au](mailto:costoflivingq.sen@aph.gov.au)

Dear Committee Members

## Select Committee Inquiry on Cost of Living ('the Inquiry')

Thank you for the opportunity to provide feedback on the Inquiry.

### About QCOSS

The Queensland Council of Social Service (QCOSS) is the peak body for the social service sector in Queensland. Our vision is to achieve equality, opportunity, and wellbeing for all Queenslanders.

### QCOSS' position

QCOSS welcomes the Inquiry and the Committee's exploration of the cost-of-living crisis. The scale and severity of the crisis demands an ambitious whole-of-government response. Opportunities for the federal government to work in partnership with state and territory governments must underpin a comprehensive and strategic plan to pave a sustainable way forward.

Our submission is informed by engagement with QCOSS members across Queensland, along with our ongoing research on living affordability.

### Cost of living pressures facing people in Australia

The cost of living is one of the biggest challenges impacting service users of Queensland community organisations.<sup>1</sup> Findings from the QCOSS *Living Affordability in Queensland 2023* report ('the Report') paint a stark picture of households unable to get by.<sup>2</sup> The Report is **attached**.

The Report looked at whether modelled low-income households in Queensland can afford a basic standard of living, provided analysis on key cost of living pressure points, and included insights from respondents to our cost-of-living survey on their own personal experiences of these compounding issues. The Report found that low-income households were grappling with huge cost-of-living increases and stagnant incomes. The five modelled low-income households were described as:

- A single unemployed adult with no dependents
- A single student working part-time with no dependents
- A senior retired couple with no dependents
- A single unemployed parent with two children
- A couple with two children, where one parent is employed full-time.

<sup>1</sup> Queensland Council of Social Service. (2023). *State of the Sector 2022*, page 7.

<https://www.qcoss.org.au/wp-content/uploads/2023/03/State-of-the-Sector-Report-2022.pdf>

<sup>2</sup> Queensland Council of Social Service. (2024). *Living Affordability in Queensland 2023*. ('Living Affordability Report').

<https://www.qcoss.org.au/publication/report-living-affordability-in-queensland-2023/>



Among the modelled households, only one was able to meet basic living costs, and “...none of the modelled households have sufficient income to meet unplanned expenses if an emergency arose.”<sup>3</sup> The ‘senior retired couple with no dependents’ had a small weekly budget surplus of \$75.56. The ‘single unemployed parent with two children’ would face a weekly budget deficit of \$255.98, and the ‘couple with two children, where one parent is employed full-time’ would face a weekly budget deficit of \$198.84.

According to QCOSS members, the social service sector is now seeing more and more working Queenslanders, who have never needed help before.

“It’s hard. The rise in the cost of living has completely wiped out our savings as everyday items are increasing yet the wages aren’t” (*cost of living survey respondent*).

“As a single mum, I am struggling significantly with the increased cost of living. I am educated and in a stable job however [expenses] exceeds my income” (*cost of living survey respondent*).

The Report found the “...cost of housing had risen to about 40 per cent of expenditure for most of the model households, despite increases in rent assistance. With severe shortages of affordable rentals and low vacancies, the risk of homelessness is real for many.”<sup>4</sup> According to Residential Tenancies Authority data, the median value of weekly rent paid for new tenancies in Queensland increased by more than 40 per cent in the four years following December 2019.<sup>5</sup> In early 2023, approximately 300,000 Queenslanders were experiencing housing stress, which includes those who are spending more than 30 per cent of their income on housing.<sup>6</sup>

“We are really struggling. Really. Inflation, petrol costs, food costs, interest rate hikes resulting in massive jumps of rental prices - it's so overwhelming, especially when you are a single parent, single income household and there's no relief in sight, yet wages are not increasing. It keeps me up at night and I am terrified we will lose our home” (*cost of living survey respondent*).

“...renters are worried about losing a place to live or not being able to afford it” (*cost of living survey respondent*).

The Report examined expanding indicators of food stress, noting “...the rising cost of healthy food is most pronounced in remote areas, having a significant impact on the budgets of families with children across the state.”<sup>7</sup> The *2023 Hunger Report* produced by Foodbank estimated that 3.7 million households in Australia experienced food insecurity.<sup>8</sup> Food insecurity was also a key theme among the QCOSS cost-of-living survey respondents.

“It’s hard for us as we are on a pension. We’re skipping meals just so our children can have a decent meal, and also not seeing a GP when we are sick due to them not bulk billing anymore.”

“We are mainly eating toast and instant noodles at the moment.”

“We are living pay-to-pay on a disability pension. Even basic food needs to be cut back. My stress levels are high and even going grocery shopping will put me in tears every time now.”

Despite the welcomed cost-of-living relief packages provided by the federal and state governments to support low-income households, further support and measures are required.

---

<sup>3</sup> Ibid, page 43.

<sup>4</sup> Ibid, page 43.

<sup>5</sup> Residential Tenancies Authority. (2023). *Median rents quarterly data*.

<https://www.rta.qld.gov.au/forms-resources/median-rents-quick-finder/median-rents-quarterly-data>

<sup>6</sup> Pawson H, Clarke A, Moore J, van den Nouwelant R, Ng M. *A Blueprint to tackle Queensland’s housing crisis*. Queensland Council of Social Service.

<https://www.qcross.org.au/wp-content/uploads/2023/03/Hal-Pawson-Report-2023-Final.pdf>

<sup>7</sup> *Living Affordability Report*, page 43.

<sup>8</sup> Foodbank. (2023, September). *Foodbank Hunger Report 2023*.

<https://reports.foodbank.org.au/foodbank-hunger-report-2023/>

## Federal Government measures to ease cost of living pressures

While many causes of inflation are outside the control of any government, there are a number of measures the Federal Government could implement to ease cost of living pressures and lift people out of poverty.

QCOSS supports the recommendations from the Australian Council of Social Service (ACOSS) outlined in their publication *'Five ways to help people with the least with cost of living'*.<sup>9</sup> Their publication included recommendations for the government to:

- Raise income support payments and to "...ensure adequate financial support for people on temporary visas experiencing financial hardship to meet basic costs."
- Deliver substantial investment to build more public and community housing, work with state and territory jurisdictions to limit rent increases, end no grounds evictions, and to "fund homelessness services to meet demand and adequately pay the mostly female workforce."
- Work to reduce energy bills by fully funding the Small-Scale Renewable Energy Scheme, implement measures to write off the energy debt of people in financial hardship, and to "...invest in the acceleration of energy efficiency, electrification, and solar retrofits for low-income housing."
- "Provide a \$1.6 billion funding boost to crisis services including financial and emergency relief, homelessness, family violence, and community legal services..." in light of increased levels of demand for assistance from the community sector.<sup>10</sup>

ACOSS also called on the federal government to remove the planned Stage Three Tax Cuts. We join ACOSS in welcoming the recently announced amendments that make that tax package fairer. However, we also support comments from ACOSS in relation to people on the lowest incomes:<sup>11</sup>

"... it is important to highlight that this revised package does not yet help people on the lowest incomes facing the most severe crisis: people whose incomes are below the tax threshold and pay no income tax."

## Queensland State Government measures to ease cost of living pressures

There are also a range of opportunities for the federal government to work in partnership with state and territory governments. QCOSS has recently published our initial recommendations for the 2024-25 Queensland State Budget in our pre-budget submission, which can be [viewed in full online](#).<sup>12</sup>

A number of those recommendations would specifically help to address cost of living pressures and would go hand in hand with federal initiatives. For example, QCOSS called on the Queensland Government to:

- Develop a whole of government plan to end Queensland's housing crisis, coupled with sufficient investment to ensure every Queenslanders has a roof over their head by 2032. Our submission additionally calls for a limit on rent increases and an end to no-grounds evictions, along with ensuring a basic level of energy efficiency in rental properties.
- Increase funding to financial counselling services, noting that Queensland only had 93 registered financial counsellors as of June 2023.
- Reduce food insecurity by providing additional funding to increase capacity of food relief providers.

<sup>9</sup> Australian Council of Social Service. (2024). *Five ways to help people with the least with the cost of living*. <https://www.acoss.org.au/wp-content/uploads/2024/01/240110-Five-ways-to-help-people-with-the-least-with-cost-of-living.pdf>

<sup>10</sup> *Living Affordability Report*, page 43.

<sup>11</sup> Australian Council of Social Service. (2024, January 25). *ACOSS Welcomes changes that make stage three fairer* [Press release]. [https://www.acoss.org.au/media-releases/?media\\_release=acoss-welcomes-changes-that-make-stage-three-fairer](https://www.acoss.org.au/media-releases/?media_release=acoss-welcomes-changes-that-make-stage-three-fairer)

<sup>12</sup> Queensland Council of Social Service. (2023, December). *Queensland Budget 2024-25: Our pre-budget submission*. <https://www.qcoss.org.au/publication/queensland-budget-2024-2025-our-submission/>

- Expand access to free kindergarten to all three-year-olds.
- Provide ongoing targeted energy bill relief and help low-income households access the energy transition.
- Expand gender responsive budgeting and gender responsive procurement practices to advance women’s economic security.
- Reduce digital disadvantage by:
  - developing a 10-year Digital Inclusion Roadmap in consultation with industry, social service providers and the community.
  - increasing funding for digital literacy programs to evolve and scale existing successful programs and develop new programs targeting other digitally excluded cohorts.
  - auditing 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.
  - ensuring all low income, vulnerable and remote students can access suitable connectivity and devices at school and at home.

The QCOSS pre-budget submission also outlines a need for the Queensland Government to invest further in strategies and services to better support children in their early years; children who are in contact, or at risk of contact, with the justice system; and women who have experienced domestic, family and sexual violence. Those measures would also undoubtedly relieve cost of living pressures for women and families across the state.

### Supporting a sustainable social service system

As per the University of Western Australia report assessing the [Value of Queensland’s Not-for-profit Sector](#), “if we do not understand the extent to which the sector is financially sustainable, there is a significant risk that those much-needed services become less reliable, less clinically appropriate...” Further to this, if the sector becomes less sustainable, the service system will contract, resulting in fewer services available to people seeking support.<sup>13</sup>

Between 2019 and 2020, overall costs of delivering services increased by 19 per cent.<sup>14</sup> The *Challenge of Sustainability* report (**attached**) confirms the financial challenges being faced by organisations “primarily result from the funding arrangements in place and increases in costs associated with changes in the economic environment - caused both by changes in government policy and by changes in the commercial environment and economy.” Amidst the cost-of-living crisis, increasing levels of community need has strained our already under-resourced sector.

Ensuring a sustainable service system is a strategy that both the Australian Government and Queensland Government must actively support as a cost-of-living measure. This should involve developing a community services strategy with the goal of ensuring the financial sustainability of community services.

There are three components to sustainability that are each within the control of federal and state governments (Figure 1). These components are:

#### 1. *Comprehensive tenders*

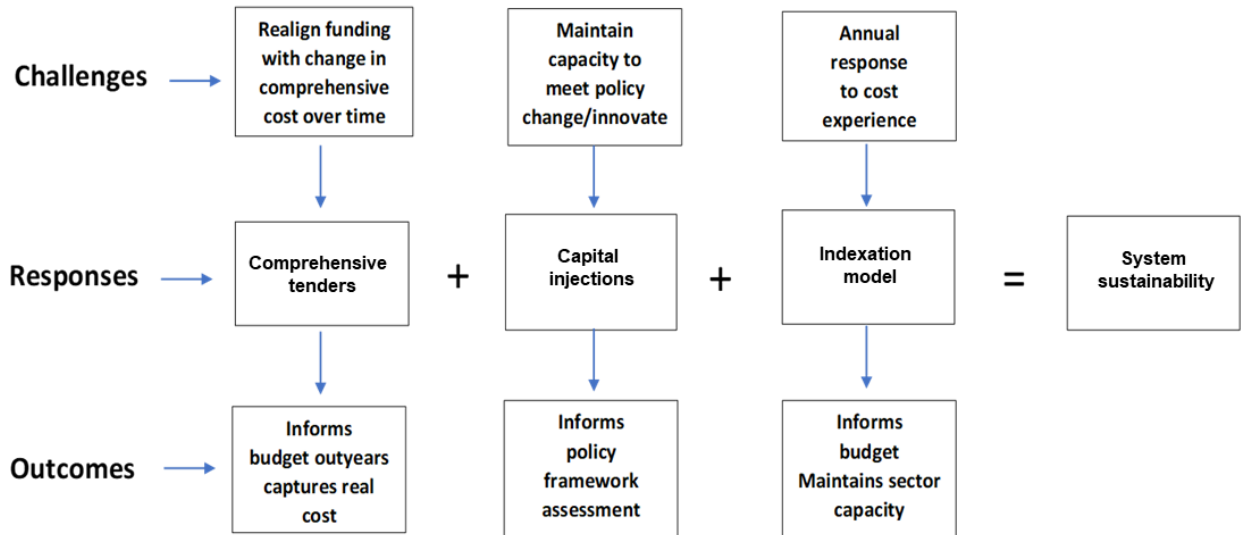
The regular realignment of prices to costs by establishing new contracts with the real cost of delivering services built into the new price (for example, a 5-yearly tendering process).

<sup>13</sup> Gilchrist, D. J. & Emery, T., (2021), *Queensland’s Social Services Sector: Its Sustainability and Economic Contribution, a report of the UWA Not-for-profits Research Team for the Queensland Council of Social Service*. Perth, Australia. [https://www.qcoss.org.au/wp-content/uploads/2021/07/Value-of-Qld-NFP-Sector\\_FINAL.pdf](https://www.qcoss.org.au/wp-content/uploads/2021/07/Value-of-Qld-NFP-Sector_FINAL.pdf)

<sup>14</sup> Gilchrist, D. J. & Perks, B., (2022), *The Challenge of Sustainability: Not-for-profit Sector and the Impact of Growing Financial Pressure*, a report of the UWA Not-for-profits Research Team for the Queensland Council of Social Service, Brisbane, Australia.

2. *Capital injections*  
The capitalisation of the service industry to allow timely and effective responses to economic, social and policy changes in an ad hoc manner.
3. *Indexation*  
The establishment of a sound annual indexation calculation process that allows the industry to respond to iterative changes in the cost of production over the life of a multi-year contract (i.e., in between resetting the base through the re-contracting process).<sup>15</sup>

**Figure 1. Service system sustainability (Original source: Gilchrist & Feenan, 2023 (p 11))**



## Conclusion

QCOSS highlights the need to ensure genuine whole-of-government responses to the cost-of-living crisis at federal, state and territory levels. Through comprehensive and co-ordinated government investment and policy, including increasing income support to above the poverty line, meaningful change can be achieved to help those most in need.

Thank you again for the opportunity to provide our submission. If you have any questions, please contact Aimee McVeigh, Chief Executive Officer at [aimee@qcross.org.au](mailto:aimee@qcross.org.au) or 07 3004 6903.

Yours sincerely

Aimee McVeigh  
Chief Executive Officer

<sup>15</sup> Gilchrist, D. J. & Feenan, C., (2023), Queensland's Cost Indexation for Government Purchasing of Human Services, a report developed by the UWA Centre for Public Value for the Queensland Council of Social Service, Brisbane, Australia. [https://www.qcross.org.au/wp-content/uploads/2023/04/UWA\\_report\\_Queensland-Indexation\\_Gilchrist-and-Feenan\\_Mar-2023.pdf](https://www.qcross.org.au/wp-content/uploads/2023/04/UWA_report_Queensland-Indexation_Gilchrist-and-Feenan_Mar-2023.pdf)