



Queensland State Budget 2020-2021 QCROSS' response

December 2020



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About QCOSS



We are QCOSS (Queensland Council of Social Service), Queensland's peak body for the social service sector.

Our vision is to achieve equality, opportunity and wellbeing for every person, in every community.

We believe that every person in Queensland – regardless of where they come from, who they pray to, their gender, who they love, how or where they live – deserves to live a life of equality, opportunity and wellbeing.

We are a conduit for change. We bring people together to help solve the big social issues faced by people in Queensland, building strength in numbers to amplify our voice.

We're committed to self-determination and opportunity for Aboriginal and Torres Strait Islander people.

QCOSS is part of the national network of Councils of Social Service lending support and gaining essential insight to national and other state issues.

QCOSS is supported by the vice-regal patronage of His Excellency the Honourable Paul de Jersey AC, Governor of Queensland.

Join us to mobilise a force for equality, opportunity and wellbeing. To join visit [the QCOSS website](http://www.QCOSS.org.au) (www.QCOSS.org.au).

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Executive Summary

COVID-19 has had a significant impact on Queensland's economy. Many Queenslanders have faced job and financial insecurity while confronting an urgent threat to our health and wellbeing.

In February 2020, the Queensland unemployment rate was 6.1 per cent. By October 2020, it had risen abruptly to 7.7 per cent. Regional variations were often more significant with unemployment rates rising considerably between February and October 2020 in Wide Bay (+2.4 per cent), the Gold Coast (+2.5 per cent), Ipswich (+2.5 per cent) and Central Queensland (+5 per cent). As financial pressure increased on households, a persistent increase in demand for social services support was felt across the state.

The Queensland Government tabled its 2020-21 budget on 1 December 2020, incorporating \$4.3 billion in election commitments. Despite facing a unique borrowing environment, the Palaszczuk Government failed to make game changing structural investments in public housing and social services that would allow Queensland to build back better with new investments in our social infrastructure. It is disappointing that this budget seeks to maintain the status quo.

While the 2020-21 budget does contain some support for Queenslanders' financial wellbeing, it misses important opportunities that benefit vulnerable Queenslanders. Election commitments such as an increase in support workers to improve access to the No Interest Loan Scheme have been funded. However, additional funding to community services appears to be as minimal as 0.8 per cent of the total \$4.3 billion.

The budget offers few surprises and maintains funding for previous, ongoing commitments. A large proportion of these prior commitments relate to the COVID-19 recovery response, such as household utility bill relief (\$400 million), housing and homelessness support (\$25 million), support for community-based health treatment and services (\$28 million), and domestic and family violence support (\$5.5 million).

This budget has a strong focus on backing frontline services. We welcome the significant investment in education. However, the budget fails to recognise the community sector as a frontline service provider. There is no better description for the community sector than frontline.

Queensland's 2020-21 budget includes no new funds for social housing. Investment in social housing provides a strong response in deep economic recessions. This is evidenced by the recent Victorian Government announcement of \$5.3 billion that will create 10,000 jobs per year for the Victorian economy.

Though women have been disproportionately impacted by COVID-19, the bulk of stimulus measures announced by governments to date have focused on male-dominated industries like building and construction. The community services sector employs 15.4 per cent of the state's workforce and is a major employer of women in Queensland – our workforce is approximately 80 per cent women. The minimal support for the community sector is representative of the overall lack of support provided for women's economic recovery from COVID-19.

The 2021-22 budget announcement is only six months away. QCROSS calls on the government to address the missed opportunities in the 2020-21 budget and:

- Establish a \$40 million Community Services Resilience Fund
- Prioritise social housing construction and energy efficiency
- Publish detailed analysis on how investments create strong and long-term employment opportunities for women.

Background

The Queensland economy has been significantly impacted by the COVID-19 pandemic.

The Queensland Government responded to the COVID-19 economic crisis by rapidly implementing stimulus measures. In September 2020, the COVID-19 Fiscal and Economic Review (CFER) was released in lieu of a budget to provide an update on Queensland's fiscal position over 2019-20 and 2020-21 financial years. The CFER noted that the Queensland Government would borrow an additional \$4 billion to be spent on initiatives designed to stimulate Queensland's economy.

On 1 December 2020, the Queensland Government released the budget papers for 2020-21. These documents are stated as having 'a pro-growth and pro-business policy focus, underpinned by driving improvements in the competitiveness and productivity of the state's key industries.' To achieve this, an additional \$4.3 billion will be spent over four years. These additional funds relate to election commitments made in the lead up to the October 2020 election.

Overall, the Queensland Treasurer reflected a positive outlook for the Queensland economy, emphasising a rebounding of employment and hours worked to above pre-COVID-19 levels. Further to this, the Queensland economy is forecasted to return to marginal growth in 2020-21, followed by 3.5 per cent in 2021-22. It is the government's position that this is likely due to a strong economic position pre-COVID-19 and the success of the state's COVID-19 response.

Despite this economic outlook, Queensland communities face a long and bumpy road ahead. In October 2020, the Queensland unemployment rate was 7.7 per cent. Nationally, this is second only to Tasmania. Regionally, unemployment is as high as 9 per cent in Ipswich, 8.6 per cent in Logan-Beaudesert, 7.9 per cent in Central Queensland and 7.8 per cent in Greater Brisbane and the Gold Coast.

Meanwhile, community services across Queensland are reporting increases in the number of people seeking support including significant numbers of people accessing support for the first time. Furthermore, the issues people are seeking support for are increasingly complex.

The government was given a clear mandate to borrow significant amounts of money as part of the COVID-19 recovery effort. Queensland's COVID-19 economic recovery could be an opportunity to resolve long-standing social issues by ensuring that what is borrowed now has a lasting legacy for all Queenslanders.

Budget overview

What's new in the 2020-21 budget?

The 2020-21 Budget Measures provide a consolidated view of policy decisions made by the Queensland Government since the COVID-19 Fiscal and Economic Review (CFER) was released in September 2020. The Budget Measures¹ provide an overview of the new and additional funds being committed by the Queensland Government in the 2020-21 budget.

These new and additional funds account for election commitments of \$4.3 billion. Unfortunately, they provide little direct benefit to community sector organisations that have been at the forefront of responding to community need during the pandemic.

When interpreting the Budget Measures, it is important to distinguish between expense measures and capital measures. The total expense measures in the 2020-21 budget are \$2.24 billion, while total capital measures are \$2.55 billion.

Budget documents provide limited information on how funds will be used or who the beneficiaries are. QCOSS has categorised expense and capital measures based on the title and description provided in the budget documents and department websites. Insufficient information has been provided by government about where money will be allocated.

Expense measures

In categorising expense measures, it is possible to estimate the proportion of funds allocated to community services. The results of these expense categories are outlined in Table One.

Table 1: Expense measures

Expense measures	\$ (million)	Percentage of total
Infrastructure (Other)	533.96	23.83%
Frontline	526.12	23.48%
COVID-19 response plan	363.5	16.22%
Industry	304	13.57%
Sport and rec	130.49	5.82%
Education and skills	117.26	5.23%
Place-based	86.065	3.84%
Transport	68.1	3.04%
Labour/ Workforce	21.1	0.94%
Environment	18.4	0.82%
Community Infrastructure	18	0.80%
Marketing Fund	15	0.67%
Community services	13.9	0.62%
Energy	10	0.45%
Funding to support a COVID-safe election	7.39	0.33%
Infrastructure (health)	5	0.22%
Women/ girls	1.75	0.08%
Young Animal Protection Society	1	0.04%
Total	2241.035	100.00%

¹ Queensland Government. (2020). *Service Delivery Statements Volume One*. Retrieved from [Budget Papers - Queensland Budget 2020-21](#)

As highlighted in Table One, the top three categories of expenses are:

1. Infrastructure enhancements

This totals \$533.9 million and includes funding for road upgrades, sport and recreation facilities, agriculture and local government works.

2. Frontline staff and services, including:

- \$324.99 million for 2,025 police personnel by 2025
- \$14.87 million to provide better support for firefighters
- \$100 million for a wellbeing workforce for Queensland state schools
- \$86.26 million to strengthen fire services

3. COVID-19 response plan

This is funded for a further \$363.5 million and will build additional capacity to tackle coronavirus.

Regarding the community sector, funding for community services and community services infrastructure appears to account for just 0.62 per cent and 0.80 per cent of the total election commitments, respectively. Funding that contributed to community services includes:

- \$7.9 million for emergency support services and placement of Neighbourhood and Care Army Connect Workers over two years.² QCOSS has confirmed that this includes funding for the election commitment to employ 20 NGO workers to provide financial counselling to vulnerable Queenslanders as part of the No Interest Loan Scheme (NILS).
- \$6 million over four years to support vulnerable populations to prevent domestic and family violence. Information about where these funds will be allocated has been sought.

It is important to note that expenses allocated to Community Infrastructure are those that provide amenities to community. They are not expenses that help community organisations with issues such as increasing demand. This category includes a splash park (\$3 million) and the \$15 million investment in the Community Infrastructure Investment Partnership. QCOSS could not determine the details of this Partnership prior to publication.

Capital measures

In categorising capital measures, it is possible to estimate the proportion of funds allocated to community services. The results of this analysis are outlined in Table Two.

Table 2: Capital measures

Capital expenses	\$ (in millions)	Percentage of total
Industry	970.5	37.96%
Energy	500	19.55%
Health and hospital infrastructure	462.17	18.08%
Infrastructure (other)	285.55	11.17%
Education (School halls program)	235	9.19%
Skills (Equipping TAFE for our future)	74.1	2.90%
Community Infrastructure	15.891	0.62%
Frontline	7.2	0.28%
Environment (Great Barrier Reef Investment)	6.5	0.25%
Total	2556.911	100.00%

² Queensland Government. (2020). *Service Delivery Statements Volume One*. P.1-5. Retrieved from [SDS_1 \(budget.qld.gov.au\)](https://budget.qld.gov.au)

As highlighted in Table Two, the top three categories of capital measures are:

1. A total of \$970.5 million for industry development
2. \$500 million over four years for the Queensland Renewable Energy Fund
3. \$462.17 million for health and hospital infrastructure.

Further to this, there is an increased investment in skills development, inclusive of \$74.1 million to equip TAFE for the future. Community infrastructure spending totals \$15.9 million and includes the Dakabin Family and Community Place (\$8.05 million) and the Yeronga Child and Youth Community Hub (\$7.835 million).

Concessions

Each year, the Queensland Government provides concessions across a variety of services and products. These include targeted discounts, rebates and subsidies for individuals and businesses based on eligibility criteria.

For the 2020-21 budget, the total value of all concessions is estimated to be \$6.271 billion. This is inclusive of direct budget outlays, such as fee subsidy payments, and revenue foregone through fees and charges. The value of the concessions is a decrease from the 2019-20 value as some additional concessions provided during the COVID-19 response phase will not be continued into 2021. Key concessions provided to communities, disability services and seniors are outlined in Table Three.

Table 3: Concessions

Concessions	2019-20 actual (\$ million)	2020-21 estimate (\$ million)
Electricity Rebate Scheme	189.9	210.2
Electricity Asset Ownership Dividend	2.9	106.9
Pensioner Rate Subsidy Scheme	53.3	56.3
Utility Rebate - COVID-19 - Residential Household Utility Assistance Package and Small/Medium Business Power Bill Relief Package	490.2	40.0
South East Queensland Pensioner Water Subsidy Scheme	17.7	19.3
Home Energy Emergency Assistance Scheme	8.7	10.0
Reticulated Natural Gas Rebate Scheme	2.4	2.6
Electricity Life Support Concession Scheme	2.1	2.3
Medical Cooling and Heating Electricity Concession Scheme	1.6	2.1

As highlighted in Table Three, Utility Rebates have a significant decline from \$490.2 million in 2019-20 to \$40 million in 2020-21. This is because the utility rebate was provided as a COVID-19 response initiative during the pandemic and included a \$200 rebate for residential electricity and water household relief and a \$500 electricity rebate for small to medium enterprises. The household utility rebate was provided directly to electricity bills to offset household electricity and water costs associated with extra time at home. Funding in 2020-21 of \$40 million has been provided to continue payments for late applicants to the scheme.

Previous commitments

Funding for 2020-21 consists of funds allocated from previous commitments. This includes funding of three policy initiatives, such as the extension of rent relief until the end of December 2020, the continued waiver of payroll tax for eligible organisations and exemption of JobKeeper subsidy payments until March 2021. Further COVID-19 response initiatives to support individuals and households include:

- \$400 million – Household utilities bill relief
- \$25 million – Housing and homelessness support
- \$28 million – Support for community-based health treatment and services
- \$5.5 million – Domestic and Family Violence support
- \$20 million – Rental grant scheme
- \$0.9 million – Support for vulnerable multicultural communities
- \$46.5 million – Localised mental health treatment and services
- \$100 million – New social housing to be built across Queensland.

Support for businesses included:

- \$1 billion – Concessional jobs support loan facility, interest free for the first 12 months, to support businesses to keep Queenslanders in work
- \$950 million – Payroll tax relief, including refunds, payment holidays, and deferrals for eligible businesses
- \$360 million – Payroll tax exemption: JobKeeper payments
- \$400 million – Land tax relief and payment deferrals, for property owners to pass on to tenants affected by COVID-19
- \$249 million – extension to current payroll and land tax relief measures
- \$196 million – Small Business Adaption Grants program for grants of up to \$10,000.

In 2020-21, community services will be supported by both previous and new government commitments including:

- funding over five years from 2019-20 matching Australian Government funding for the continuation of Logan Together (\$3.8 million) and establishing place-based approaches in Gladstone and Rockhampton (\$3.9 million)
- funding of \$1.5 million to 12 organisations for Community Connect Workers and \$1.7 million for 15 Neighbourhood and Care Army Connect workers through the network of 125 Neighbourhood and Community Centres.

Missed opportunities

The 2020-21 Queensland budget misses important opportunities to improve the wellbeing of Queenslanders.

Queensland's economic recovery from COVID-19 will require bold and innovative measures that provide a benefit to all Queenslanders. As stated by the Queensland Treasurer, 'if there has ever been a time to borrow to build, to create jobs and to strengthen the Queensland economy, it is now'. However, in comparison to states such as Victoria, Queensland has missed the opportunity to articulate a bold vision for a better Queensland.

Recovery should be for all Queenslanders. The government should drive economic recovery through substantial investments that have a direct benefit to low-income households. In this way, measures that support recovery will support the wellbeing of Queenslanders and create jobs, including in the community services sector.

Community Resilience Fund

This budget has a strong focus on backing frontline services. However, it does not recognise the community sector as a frontline service provider, with very little funding directed to community organisations.

2020 has been a challenging year for community organisations across Queensland, with many reporting significant increases in demand for services and as a result, increasing waitlists.

As part of the QCOSS *Recovery for all Queenslanders* plan, QCOSS calls on the Queensland Government to establish a \$40 million Community Resilience Fund.

It is widely acknowledged that small business is critical to a healthy economy. This is demonstrated in the budget with an additional \$40 million dedicated to small business initiatives. While this is welcome, equally important is a well-functioning community sector that can respond to community need. With adequate investment and recognition, the community sector will improve longer-term outcomes in health and education and thereby reduce pressure on public systems.

A Community Resilience Fund would deliver an investment in community services that would alleviate urgent demand for under-resourced services, enable organisations to employ more staff, create jobs across Queensland and empower services to provide the right support to the right people, right now.

With the next budget due in May, QCOSS calls on the Palaszczuk Government to establish a Community Resilience Fund, recognising the long-term benefits of a community sector that is appropriately funded to meet community need.

Social housing

The 2020-21 budget does not include any new funds for social housing. Prior commitments, such as the 10-year \$1.8 billion Social Housing Strategy remain, along with \$526.2 million for social housing improvements.

The Queensland social housing waitlist increased by 22 per cent from 2018 to 2019, while the waitlist for Aboriginal and Torres Strait Islander housing programs increased by 25 per cent in the same period. This increase is also reflected in the level of need for housing, with the

number of people assessed as 'very high need' rising from 5,461 in 2017 to 9,457 in 2019. These figures highlight a growing need for further investment in Queensland social housing.³

Investment in social housing is a sensible measure during recessions such as the one caused by COVID-19. Residential construction is found to have one of the strongest multiplier effects for public expenditure and results in high flow-on impacts to the rest of the economy.⁴ Recognising the significant opportunity for economic growth and job creation, the Victorian Government recently announced a \$5.3 billion commitment over four years to construct 12,000 new social and affordable homes. It is estimated that this will create 10,000 jobs per year for the Victorian economy.⁵

Social and affordable housing stimulus must be central to Queensland's COVID-19 economic recovery plan. Building more social and affordable homes to meet the severe deficit in supply presents a transformational opportunity to deliver long-term benefits to people in need of housing, as well as an opportunity to create thousands of Queensland jobs.

emPOWER Homes

The *emPOWER Homes* initiative, created by the Queensland Conservation Council, Solar Citizens and QCOSS in September 2020, is a \$215 million proposal that would see solar panels and energy efficiency upgrades installed on 50,000 social housing dwellings.

Installing energy efficient upgrades into social housing will create 1,800 jobs and save those households up to \$1,100 per year on their electricity bills that they could then spend in their local economies.

Women

It is widely acknowledged that COVID-19 has had a disproportionately negative impact on women. The pandemic worsened the economic situation for women who form the majority of the casual workforce and are employed in sectors where job losses have been significant. In addition, women face additional pressures to take on more domestic and unpaid work, have worked fewer paid hours or left the workforce altogether. Though women have been disproportionately impacted, the bulk of stimulus measures announced by governments have focused on male-dominated industries like building and construction.

The community services sector employs 15.4 per cent of the state's workforce and is a major employer of women in Queensland – our workforce is approximately 80 per cent women. While QCOSS welcomes the employment of more teachers and frontline workers over the next four years, the bulk of the budget is still focused on industries like building and construction that do not provide significant secure employment opportunities for women.

The service delivery priorities related to women for 2020-21 reflected in this budget focus narrowly on domestic violence. While this is critical, it does not address a wider range of issues faced by women like appropriate health services, underemployment, casualisation of women's work and financial security. Investing further in the community services sector will ensure increased women's labour force participation and equity in employment outcomes.

In future, QCOSS calls on the Queensland Government to publish detailed analysis on how investments create strong and long-term employment opportunities for women.

³ Queensland Government. *Social Housing Register*. Retrieved from <https://www.data.qld.gov.au/dataset/social-housing-register>

⁴ Housing Ministers' Advisory Committee. (2012). *Social Housing Initiative Review*. Retrieved from http://www.nwhn.net.au/admin/file/content101/c6/social_housing_initiative_review.pdf

⁵ Victorian Government. (2020) *Jobs and apprenticeships*. Retrieved from [Jobs and apprenticeships | Victorian Government \(www.vic.gov.au\)](https://www.vic.gov.au/jobs-and-apprenticeships)

Conclusion

In the 2020-21 budget, the Queensland Government had a strong mandate to borrow to build back better and lay the foundations of a strong economic recovery for all Queenslanders. The government's response has missed key opportunities to be bold and capitalise on opportunities such as building more social housing, increasing energy efficiency for homes in Queensland and improving employment, health and wellbeing outcomes for women.

While the budget provides for increases in frontline staff in health and education, it does not provide adequate funding for the community services sector, whose response has been critical in supporting communities through the 2020 floods, bushfires and COVID-19 pandemic. By following the lead of the Victorian Government, Queensland should reduce its rising waitlist for social housing. Investment in social housing can create a substantial number of new jobs and deliver on achieving long term social and health benefits.

The next budget for 2021-22 is only six months away. QCOSS calls on the government to articulate a bolder vision for Queensland communities and commit to addressing the opportunities missed in 2020-21.