

New Issues submission

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Queensland
Government

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Summary

Queensland Treasury appreciates the opportunity to provide input to the Commonwealth Grants Commission's preparation for the 2023 Update Report.

A summary of Queensland's positions is provided in Table 1 below. Details are provided in sections 1 to 12. As agreed with Commission staff, Queensland Treasury will submit a supplementary submission to the Commission on the two new issues related to the response to COVID-19.

TABLE 1 – SUMMARY OF QUEENSLAND POSITIONS

Issue	Commission proposal	Queensland position
Census – Estimated resident population	Use the 2021 Census based Estimated Resident Population data by state to calculate the total state and sub-state populations for the 2023 Update.	Support
	Retain the 2016 Census-based projections of total Aboriginal and Torres Strait Islander Estimated Resident Population by state.	Support
Census – Measures of socio-economic status	Retain the 2016 Census measures of remoteness area and socioeconomic status as these will not be updated to take account of 2021 Census data until 2023.	Support
Census - Urban transport	If 2021 Census data for passenger numbers are not fit for purpose, retain the 2016 Census data for passenger numbers by mode in the urban transport assessment with no adjustment to account for changes in the level of service provision or the addition of new modes of transport.	Do not support the unadjusted use of 2016 Census data. First preference is adjusting either 2016 or 2021 Census data based on observed passenger numbers. Second preference is to use 2021 Census data.
Census - Housing	Integrate the 2021 Census data on income and rent in the Housing assessment for the 2023 Update if the Commission consider it reliable. If not, the Commission will engage States on alternative options.	Support
New data source for the number of motor vehicles	Use BITRE data as the new source of data for the number of registered vehicles in each state.	Support
	Use 2020-21 data from the ABS Motor Vehicle Census for 2021-22 data if BITRE data are not published in time for inclusion in the 2023 Update.	Support
Non-admitted patient service expenses and activity data analysis	Include imputed national weighted activity unit data for GP-type services in the non-admitted patient assessment.	Do not support for the 2023 Update but support its consideration at the next methodology review.

	If terms of reference <u>do not allow</u> for a method change, continue to treat Commonwealth payments under the National Partnership on COVID-19 Response as no impact.	Support that no change in methodology should occur in absence of a terms of reference direction.
Response to COVID-19 – Health	<p>If terms of reference <u>allow</u> for a change in method to respond to COVID-19:</p> <ul style="list-style-type: none"> - treat the Commonwealth payments under the National Partnership on COVID-19 Response as impact; and - assess state spending associated with the national partnership on an actual per capita basis. 	<p>Should terms of reference allow consideration of a method change, the proposed treatment is not supported. A supplementary submission will be provided.</p>
Response to COVID-19 – Business Support	<p>If terms of reference <u>do not allow</u> for a method change, treat Commonwealth payments under the national partnerships on COVID-19 business support as no impact.</p> <p>If terms of reference <u>allow</u> for a change in method:</p> <ul style="list-style-type: none"> - treat Commonwealth payments under the national partnerships on COVID-19 business support as impact; and - assess state expenses that meet the definition of <i>non-assessable non-exempt</i> using a driver of need based on the reduction in hours worked in each state; or - if data on state expenses that meet the definition of <i>non-assessable non-exempt</i> cannot be obtained, assess the state spending associated with the national partnerships on COVID-19 business support on an actual per capita basis. 	<p>Support that no change in methodology should occur in absence of a terms of reference direction.</p> <p>Should terms of reference allow consideration of a method change, the proposed treatment is not supported. A supplementary submission will be provided.</p>
New state taxes – Victoria’s Zero and Low Emission Vehicle tax	Include Victoria’s ZLEV revenues in the Motor taxes category.	Support
New state taxes – Victoria’s mental health and wellness surcharge	Include Victoria’s mental health and wellbeing surcharge in the Payroll tax category.	Support
Negative average no worse off relativity	Consider views on how to deal with a negative average no worse off relativity.	No submissions at this time.
New Commonwealth payments	Consider views on the proposed treatment of new Commonwealth payments outlined.	Support proposed treatments as outlined by the Commission (subject to the position outlined in this submission related to COVID-19 Business Support Payments).

1. Census – Estimated resident population

Commission staff proposal:

- Use the 2021 Census based Estimated Resident Population (ERP) data by state to calculate the total state and sub-state populations for the 2023 Update.
- Retain the 2016 Census-based projections of total Aboriginal and Torres Strait Islander Estimated Resident Population by state.

Queensland position:

- Queensland supports the Commission using the latest available total population data (2021 ERP) in the 2023 update.
 - This is in line with the CGC principles of contemporaneity and practicality, given the 2021 ERP data is the latest available reliable data.
- Queensland supports applying the 2016 Census Indigenous population shares to the 2016 based indigenous population projections (rather than 2021 preliminary Indigenous population estimates, which is not supported).
 - While applying 2016 Indigenous population shares to 2021 preliminary estimates would be consistent with the CGC principle of contemporaneity, it would violate the CGC's practicality principle by introducing significant data quality issues (outlined below) and affecting the reliability of the assessment.
 - The preliminary 2021 Census data proposed to be used is aggregated data for the whole of each state, rather than disaggregated within the state. This introduces the risk that applying the 2016 population shares to 2021 preliminary estimates could introduce bias based around the methodology assumption that population growth has been uniform across the state.
 - Queensland notes that there is a significant difference between the 2016 projections and the 2021 preliminary estimates at a state and national level and that the rates in New South Wales and Victoria have increased significantly and disproportionately to other states and territories.
 - If the 2021 data is used, the current assessment methodology would apply the same growth rate it shows for a given State across the entirety of that State. Even if the growth is actually concentrated in the least disadvantaged major cities rather than more disadvantaged regional populations. This could distribute GST away from states like Queensland which haven't seen this phenomenon in the preliminary data, despite the clear ongoing significant regional need.
 - Disaggregated regional and Indigenous population and socio-economic status data by the ABS from the 2021 Census data is required to avoid this potential bias. This is currently anticipated to be released toward the end of 2023 and may potentially not be available for the 2024 update, in full or in part.
 - Until then, Queensland considers the 2016 data to be more appropriate on balance, particularly given this will affect assessment of need across almost all expense assessments.

2. Census – Measures of socio-economic status

Commission staff proposal:

- Retain the 2016 Census measures of remoteness area and socioeconomic status as these will not be updated to take account of 2021 Census data until 2023.

Queensland position:

- Queensland supports the continued use of the 2016-based socio-economic status data as updated data is currently unavailable.
 - This approach is clearly consistent with the Commission principles of contemporaneity and practicality, given the 2016 data is the latest available reliable data.

3. Census – Urban transport

Commission staff proposal:

- If 2021 Census data for passenger numbers are not fit for purpose, retain the 2016 Census data for passenger numbers by mode in the urban transport assessment with no adjustment to account for changes in the level of service provision or the addition of new modes of transport.
- The Commission also suggested the possibility of jurisdiction specific adjustments to the 2016 data to capture expansions to urban transport service levels that have occurred in the time between censuses.

Queensland position:

- While the principle of contemporaneity would favour the 2021 data, in Queensland's view, neither data set is considered entirely appropriate based on the what states do/practicality principle:
 - The 2016 Census data is considered likely to materially overstate the assessed transport need for NSW and Victoria because the 2016 data would not reflect any of the impacts of enduring changes in work practices as a result of COVID-19. Substantially more people are working from home more of the time than in 2016.
 - On the other hand, the 2021 Census occurred at a time when the impacts of COVID-19 on working from home arrangements and travel to work patterns were different to the current/emerging environment. Restrictions have since further eased, and the incidence of work from home is likely to currently be lower than at the time of the 2021 Census, but still materially higher than 2016 levels.
- Consequently, Queensland's preferred position is for an adjustment factor to be applied to either the 2016 Census data or the 2021 Census data, based on public transport patronage data, with this being carried forward into subsequent updates.
 - Queensland notes that such a change in methodology between Reviews is generally permitted under Terms of Reference on the basis that it is due to data problems (see e.g. Clause 7 2022 Terms of Reference). In the current circumstances, Queensland would consider the data issues identified are material, and would be consistent with grounds for this exception.
- Should this not be possible, Queensland would consider the 2021 Census data the more appropriate of the two data sets to be used as it meets the principle of contemporaneity and is most likely the data set closest to current reality.
- It is also recommended that, at the next Review, the existing model for the transport assessment is subjected to a full review to determine its appropriateness and fitness for purpose. This is consistent with the position outlined by Queensland in its submission for the 2022 update, that '*volatility in the outcomes of the assessment would indicate potential practical and conceptual issues, and that it should be a focus for the 2025 Methodology Review.*'
- In relation to the specific examples noted by the Commission of the Newcastle and Canberra light rail assessment of need Queensland does not support applying jurisdictional adjustments on practicality grounds. Any individual adjustments made will add further complexity to this assessment and are unlikely to be material to overall results which the proposed Canberra-Newcastle light rail adjustment in the New Issues paper illustrates.

4. Census – Housing

Commission staff proposal:

- Integrate the 2021 Census data on income and rent in the housing assessment for the 2023 Update if the Commission considers it reliable. If not, the Commission will engage States on alternative options.

Queensland position:

- Queensland supports the use of 2021 Census data in the housing assessment. Although the New Issues paper identified that housing variables may have been affected by COVID lockdowns, subsequent provision of data tables by Commission staff, which modelled the impact of the new data, indicate that the impacts of this should not be material.
- As a result, Queensland considers the data suitable for use in this assessment. Using the latest Census would also be consistent with and support the Commission's principle of contemporaneity. Furthermore, Queensland considers that the Census provides the only available dataset that could be used for this assessment and its continued use would be consistent with previous updates.
- In Queensland's view, the use of any alternative options could constitute a methodology change. Changes to expense assessment like thresholds, discounts, data adjustments would be considered a method change under paragraph 4 of the 2022 Terms of Reference. Such a change would only be permitted due to data problems (such as permitted under clause 7 of the 2022 Terms of Reference). However, given Queensland does not consider any material data issues to have been identified, it does not consider this condition would be met in this case.

5. New data source for the number of motor vehicles

Commission staff proposal:

- Use BITRE data as the new source of data for the number of registered vehicles in each state.
- Use 2020-21 data from the ABS Motor Vehicle Census for 2021-22 data if BITRE data are not published in time for inclusion in the 2023 Update.

Queensland position:

- Queensland supports this approach.
- Queensland agrees that the number of registered vehicles in each state is the most appropriate measure to assess each state's relative capacity to earn revenue from motor vehicle taxes. Such an approach removes the potential impact of policy decisions such as the level of rates to be applied to vehicle registrations or other rules around how different rates are determined for different vehicle types.
- Queensland agrees that data compiled by BITRE and Austroads is the most appropriate to use in the absence of ABS data. Queensland is confident that such data would provide an accurate and unbiased account of vehicle registrations in each state and therefore would be a reliable measure of relative revenue earning capacity. Further, Queensland is not aware of any alternate data sources that would provide the same data on a consistent basis across all states.
- However, Queensland notes that such data is not yet available. As such Queensland agrees that the most recent ABS data would provide the most accurate reflection of each state's revenue earning capacity in this regard, if the BITRE data is not available in time for the Commission to utilise it effectively in undertaking this assessment.

6. Non-admitted patient service expenses and activity data analysis

Commission staff proposal:

- Include imputed national weighted activity unit data for GP-type services in the non-admitted patient assessment.

Queensland position:

- Queensland does not support making the proposed changes in the 2023 Update on the basis that to do so would constitute a material methodology change, generally prohibited between Reviews, and that this matter does not fit within the general exception to that rule, concerning data problems (e.g. such as permitted under clause 7 of the 2022 Terms of Reference and the Terms of Reference for previous Updates).
- Queensland considers that the issue raised for consideration involves a methodology change based on a policy parameter rather than a data problem.
- This consideration has been relevant to a number of new issues in this year's Update. Queensland has sought to consistently apply this test, including in this case.
- Nevertheless, for the reasons noted in Queensland's consideration of this issue for the 2022 Update, Queensland continues to consider this to be a relevant issue to address in the next five year methodology Review. This would be relevant to considering 'what states do' and considering GP-like services provided by the states, particularly in rural and remote areas as 'provider of last resort' because of a lack of access to services funded through the Medicare Benefits Scheme.

7. Response to COVID-19 – Health

Commission staff proposal:

- If terms of reference do not allow for a method change, continue to treat Commonwealth payments under the National Partnership on COVID-19 Response as no impact on the basis that the differences between states in spending on COVID-19 cannot be fully explained by the Commission's health assessment of state spending needs on health services more broadly.
- If terms of reference allow for a change in method to respond to COVID-19:
 - treat the Commonwealth payments under the National Partnership on COVID-19 Response as impact; and
 - assess state spending associated with the national partnerships on an actual per capita basis.

Queensland position:

- Queensland supports the Commission's position that no change in methodology should occur in absence of a terms of reference direction (consistent with the approach taken by the Commission in the 2022 Update).
- Should terms of reference allow consideration of a method change, the proposed treatment is not supported. As agreed with Commission staff, Queensland will provide a supplementary submission on this new issue in the near future.

8. Response to COVID-19 – Business support

Commission staff proposal:

- If terms of reference do not allow for a method change, treat Commonwealth payments under the national partnerships on COVID-19 business support as no impact, on the basis that the drivers of state spending (and in turn Commonwealth payments) on COVID-19 business support were different from the usual drivers of state spending needs.
- If terms of reference allow for a change in method:
 - treat Commonwealth payments under the national partnerships on COVID-19 business support as impact; and
 - assess state expenses that meet the definition of non-assessable non-exempt using a driver of need based on the reduction in hours worked in each state; or
 - if data on state expenses that meet the definition of non-assessable non-exempt cannot be obtained, assess the state spending associated with the national partnerships on COVID-19 business support on an actual per capita basis.

Queensland position:

- Queensland supports the Commission's position that no change in methodology should occur in absence of a terms of reference direction.
- Should terms of reference allow consideration of a method change, the proposed treatment is not supported. As agreed with Commission staff, Queensland will provide a supplementary submission on this new issue in the near future.

9. New state taxes – Zero and low emissions vehicle tax

Commission staff proposal:

- Include revenue from Victoria's ZLEV revenues in the Motor taxes category.

Queensland position:

- Queensland supports the Commission's proposal to include revenue from Victoria's ZLEV revenues in the Motor taxes category until the next Review.
- Queensland notes that the ABS classifies these revenues as Motor taxes in the Government Finance Statistics collection used by the Commission. As such, including this revenue in the Motor taxes category would be the most straightforward and accurate approach in terms of measurement.
 - Any alternate treatment of the ZLEV road-user charge would introduce complexity, including the need for an adjustment be made to the ABS data. It is unclear how easy it is to identify this component and therefore how accurate such an approach would be to implement.
- Further, Queensland considers there is a relevant nexus between the ZLEV road-user charge or other similar charges that may be introduced by other states, and general Motor vehicle taxes, for the purpose of HFE.
- As such, Queensland supports the Commission's proposed approach.

10. New state taxes – Mental health and wellness surcharge

Commission staff proposal:

- Include Victoria's mental health and wellbeing surcharge in the Payroll tax category.

Queensland position:

- Queensland supports the Commission's proposal to include Victoria's mental health and wellbeing surcharge in the Payroll tax category.
- Queensland considers there is a relevant nexus between mental health and wellbeing surcharge and Payroll taxes in general for the purpose of HFE matters, given these surcharges are levied on taxable wages paid by an employer, like payroll tax.
- Consistent with the ZLEV, any alternate treatment of the mental health and wellbeing surcharge would introduce complexity in terms of needing to identify the element of payroll tax revenue relating to the mental health and wellbeing surcharge.
- Further any such treatment would constitute a method change which would not be permitted pending the next Review.
- As such, Queensland does not consider any alternate approach to that proposed by the Commission to be appropriate at this time, and Queensland supports the Commission's proposed approach.

11. Negative average no worse off relativity

Commission staff proposal:

- Consider views on how to deal with a negative no worse off relativity.

Queensland position:

- Queensland notes that this question is currently a theoretical one. While somewhat different to a standard methodology change, as the issue concerns the relativities determined by the Commission following the assessment process, the nature of the issue is such that it would arguably be more properly considered as part of a five-year Review rather than in an Update process.
- Queensland does not have any specific comments on this issue at this time.

12. New Commonwealth payments

Proposed Treatment of Commonwealth payments commenced in 2021-22

Commonwealth payment	Description	2021-22 \$m	Proposed treatment	Reason for treatment	Queensland position
Health					
<i>Japanese encephalitis virus mosquito surveillance and control</i>	Funding to support mosquito surveillance and control activities to manage the spread of the Japanese encephalitis virus.	17.5	Impact	Community health is a state service for which needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Mosquito control in Tennant Creek</i>	Funding to support the surveillance, control and, where possible, elimination of mosquitos known for transmitting dengue in Tennant Creek and the wider Barkly.	0.8	Impact	Community health is a state service for which needs are assessed.	Agree - payments should impact as the needs are assessed
<i>NSW Mental Health Support</i>	Funding towards Sonder Australia Pty Ltd who provide online wellbeing support to those in mandatory isolation in New South Wales. Sonder will provide anyone subject to a mandatory 14-day isolation order with free, 24-hour health and wellbeing support.	1.5	Impact	Community health is a state service for which needs are assessed.	Agree - payments should impact as the needs are assessed
<i>National Mental Health and Suicide Prevention Agreement – bilateral schedules</i>	Funding to help improve mental health and suicide prevention support and services. The specific Commonwealth and State objectives, and individualised outcomes, outputs and funding for each state are detailed in the individual state bilateral agreements.	8.2	Impact	Mental health support is a state service for which needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Home for the Matildas</i>	Funding towards the construction of a purpose-built State Football Centre at La Trobe University.	7.5	Impact	Recreational infrastructure is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed

Commonwealth payment	Description	2021-22 \$m	Proposed treatment	Reason for treatment	Queensland position
<i>Western Australia Children's Hospice</i>	Funding towards the construction of a dedicated respite and hospice care facility for children with life-limiting conditions.	7.5	Impact	Infrastructure for health services infrastructure is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Contribution to ACT Asbestos Scheme</i>	Funding for the delivery of the ACT Asbestos Disease Support Scheme which supports people who have contracted an asbestos related disease after living in a property containing loose fill asbestos insulation in the ACT. The payment is designed to cover out of pocket medical expenses and loss of earning capacity.	8.0	No impact	Welfare services are a state function. However, the Commission has been unable to determine a driver of state expense needs for services such as this, which are classified in the Commission's 'other welfare' component.	Agree - payment should not impact as the needs are not assessed
<i>Increasing specialist services for children with harmful sexual behaviours in the NT</i>	\$4.7 million to increase specialist therapeutic services for children and young people with harmful sexual behaviours in the Northern Territory.	0.7	Impact	Child protection services are a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>SA Home Quarantine Application</i>	Financial assistance to South Australia to develop the South Australian Home Quarantine Application for COVID-19 home quarantine trials.	12.2	No impact	Quarantine services are not considered a usual state function.	Agree - payments are not a normal state function - Commonwealth responsibility and should be out of scope from HFE
Education					
<i>Preschool reform agreement</i>	Funding to the states for preschools under the Preschool Reform Agreement. This gives universal access to at least 15 hours of preschool each week for children in the year prior to starting school. Funding to 2025-26 totals \$1,869 million.	160.6	Impact	Preschools form part of state-funded government schools. Government schools are a state function and needs are assessed.	Agree - payments should impact as the needs are assessed – noting that this National Partnership replaces the ECEC (Early Childhood Education agreement) which impacted previously

Commonwealth payment	Description	2021-22 \$m	Proposed treatment	Reason for treatment	Queensland position
Affordable Housing					
<i>Social impact Investments – Vulnerable priority</i>	Funding to state governments to trial social impact investments which aim to assist vulnerable priority groups.	0.7	No impact	Welfare services are a state function. However, the Commission has been unable to determine a driver of state expense needs for services such as this, which are classified in the Commission's 'other welfare' component.	Agree - payment should not impact as the expense assessment does not recognise the driver of this state expense
Infrastructure					
<i>National water grid fund</i>	Investment of \$6.9 billion over 12 years in nationally significant water infrastructure projects that support primary industries and assist the development regional economies.	51.7	Impact	Business development is a state service for which needs are assessed.	Agree - payments should impact as the needs are assessed
Environment					
<i>Australian fire danger rating system</i>	Funding to support the implementation of the Australian Fire Danger Rating System. This will improve public safety and reduce the impacts of bushfires by improving decision making enabled by more-accurate scientific information. Nationally consistent fire danger rating information will be available to the public, reducing confusion about how to react to a warning.	18.2	Impact	General public services including public safety is a state responsibility and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Ehrlichia canis pilot program</i>	Funding to support Western Australia and the Northern Territory in their management of the notifiable disease ehrlichia canis.	0.2	Impact	Biosecurity forms part of agriculture regulation. This is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Emergency Response Fund - flood recovery and resilience package</i>	The Australian Government will provide \$150 million from the Emergency Response Fund in each of 2021-22 and 2022-23 to support recovery activities in communities	75.0	No impact	This payment is outside the Disaster Recovery Funding Arrangements. The Commission's assessment method for natural disasters	Agree - the payments should not impact as the needs are not assessed within the

Commonwealth payment	Description	2021-22 \$m	Proposed treatment	Reason for treatment	Queensland position
	affected by the severe flooding disaster events in Queensland and New South Wales in February and March 2022.			only covers expenses that fall within the scope of these arrangements. As such, the Commission considers that needs are not assessed for the state spending funded by this Commonwealth payment.	disaster expense assessment
<i>Emergency response fund - national flood mitigation infrastructure program</i>	Funding to help Australian communities better prepare for extreme weather events and flooding. Funding will be drawn from the Emergency Response Fund, which can be used to reduce the risk of future natural disasters, as well as funding emergency response and recovery following natural disasters.	50.0	No impact	The funding is for flood mitigation which is a state responsibility. Expenses on flood mitigation in urban areas are classified in the environmental protection component. The Commission has been unable to determine a driver of state expense needs for environmental protection.	Agree - the payments should not impact as the Commission is unable to determine the drivers of expense
<i>Feasibility study into Curtis Island LNG Electrification</i>	Funding to support a feasibility study into the electrification of liquefied natural gas facilities at Curtis Island, Queensland. This supports the Government's aim of unlocking more gas supplies for the domestic market.	1.5	Impact	Business development is a state function, and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Hydrogen ready gas generation</i>	The Australian Government will provide \$5m to the NSW Government to support the new Tallawarra power plant to be hydrogen ready.	5.0	Impact	This payment is a subsidy for the generation of electricity. The Commission assesses these expenses in the 'other electricity subsidies' component in the services to communities category.	Agree - payments should impact as the needs are assessed
<i>Hydro Tasmania's Tarraleah Hydro Power Station Redevelopment</i>	Funding supports upgrade works for Tarraleah and is a project under the Battery of the Nation initiative.	9.8	Impact	This payment is a subsidy for the generation of electricity. The Commission assesses these expenses in the 'other electricity subsidies'	Agree - payments should impact as the needs are assessed

Commonwealth payment	Description	2021-22 \$m	Proposed treatment	Reason for treatment	Queensland position
				component in the services to community category.	
<i>National forestry industry plan</i>	Funding to support the states in offering advice on the establishment of new farm forestry assets, private native forestry and Indigenous forestry areas' suitability for sustainable harvesting of forest products.	3.5	Impact	Business development is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>National Plant Health Surveillance Program</i>	Funding to support Australia's plant biosecurity system through the National Plant Health Surveillance Program. The program is implemented in collaboration with all Australian jurisdictions and aims to minimise the impact of pest incursions on agricultural industries, environmental assets and communities.	1.0	Impact	Biosecurity forms part of agriculture regulation. It is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Reducing regulatory burden and streamlining audit arrangements in the dairy sector</i>	\$14.8m investment as part of the deregulation agenda to help the dairy industry by raising export awareness, reducing red tape and streamlining audit arrangements.	0.2	Impact	Agriculture regulation is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
Other purposes					
<i>Gas well trials</i>	Competitive grants to support gas field trials in the North Bowen and Galilee basins, in partnership with industry, experts from the University of Queensland and the Queensland State Government.	1.3	Impact	Business development is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>National Legal Assistance Partnership - Supporting increased child sexual abuse prosecutions</i>	The National Legal Assistance Partnership 2020-25 provides funding to all states for legal assistance services delivered by legal aid commissions, community legal centres and Aboriginal and Torres Strait Islander Legal Services.	1.6	Impact	Legal services for criminal court matters are a state function and needs are assessed.	Agree - payments should impact as the needs are assessed

Commonwealth payment	Description	2021-22 \$m	Proposed treatment	Reason for treatment	Queensland position
	These payments are predominately related to legal aid services for criminal matters.				
<i>National Legal Assistance Partnership</i> - Supporting people with mental health conditions access the justice system - Frontline support to address workplace sexual harassment - Coronial inquiries and expensive and complex cases	The National Legal Assistance Partnership 2020-25 provides funding to all states for legal assistance services delivered by legal aid commissions, community legal centres and Aboriginal and Torres Strait Islander Legal Services. These payments are predominately related to legal aid services for civil court matters or the coronial court.	14.0 10.8 1.3	No impact	Legal services for civil and coronial court matters are a state function but needs are not assessed.	Agree - payments should not impact as these functions are not assessed
<i>National Legal Assistance -Partnership</i> - Legal assistance family law pilot program - Increased legal assistance funding for vulnerable women	Funding to support a pilot in South Australia to increase the capacity of the legal assistance sector to provide services in family law matters. Funding is for legal aid commissions, community legal centres and Aboriginal and Torres Strait islander Legal Services, to assist predominately for family court matters.	3.6 31.6	No impact	Family court services is a Commonwealth function and not a state service.	Agree - payment should not impact as the family court is a Commonwealth function
<i>National Legal Assistance Partnership - Justice policy partnership</i>	Funding to support Justice policy development.	0.7	No impact	The development of Justice policy is a state function, but needs are not assessed.	Agree - payment should not impact as the needs are not assessed
<i>Commonwealth high risk terrorist offender regime</i>	\$21.8 million to assist states in protecting the Australian community from the threat posed by convicted high risk terrorist offenders. This includes support with detention and supervision orders and assisting in the assessment of ongoing risks.	5.6	No Impact	The payment is related to the provision of Continuing Detention Orders and Extended Supervision Orders as determined by the Commonwealth. This represents a Commonwealth function and not a state service.	Agree - payment should not impact as the driver of need is based on Commonwealth function/Commonwealth legislation

Commonwealth payment	Description	2021-22 \$m	Proposed treatment	Reason for treatment	Queensland position
<i>Legal assistance for floods in Qld and NSW</i>	\$5.4 million over two years for additional legal assistance services to support relief and recovery for individuals, small businesses, and primary producers following the February and March 2022 floods in New South Wales and Queensland.	1.4	No impact	Payment is for state function however, needs (flood impacts) are not assessed.	Agree - payment should not impact as the family court is a Commonwealth function
<i>Preventing harm in Australian prisons and other places of detention (OPCAT)</i>	Funding to support the implementation of the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT) in each jurisdiction.	0.1	Impact	Preparation of legislation and standards relating to public safety (including prisons) is a normal state function and expenses are captured in our assessments.	Agree - payments should impact as the needs are assessed
<i>Support for businesses impacted by COVID-19</i>	\$7.1 billion for COVID-19 Business Support Payments to assist businesses. Business Support Payments have been administered by all state and territory governments with the Australian Government generally contributing 50 per cent of the costs.	6,729.4	No impact	Business development is a state function. However, the current methods for assessing business development expenditure do not assess needs arising from COVID-19. If terms of reference allowed the Commission to introduce a new assessment method for COVID-19 business support, this payment would receive an impact treatment.	Support that no change in methodology should occur in absence of a terms of reference direction. Should terms of reference allow consideration of a method change, the proposed treatment is not supported. As agreed with Commission staff, Queensland will provide a supplementary submission on this new issue.
<i>Victorian Energy Compare IT infrastructure build for consumer data right</i>	Funding to support the development and build of new IT infrastructure to make Victorian energy reference data available to consumers through the Consumer Data Right.	1.0	Impact	Consumer protection forms part of industry regulation. Industry regulation is a state function and needs are assessed.	Agree - payment should impact as the needs are assessed

Proposed Treatment of City and Regional Deals projects commenced in 2021-22

Commonwealth payment	Description	2021-22 \$m	Proposed treatment	Reason for treatment	Queensland position
Geelong		12.4			
<i>Revitalising Central Geelong - Arts & Culture Precinct</i>	Improvements to the Arts and Cultural Precinct Realm under the Plan are expected to deliver new streetscapes including shared zones, trees, furniture, artworks, a redesigned garden, and the redevelopment of the street lanes into pedestrian focused spaces.		No Impact	Payments are for local government/ community infrastructure in Geelong. Needs are not assessed for these types of services.	Agree - payment should not impact as the needs are not assessed
<i>Revitalising Central Geelong - Laneways Project</i>	Development of the Laneways Project between Little Malop Street and Malop Street (the Laneways Project).		No impact	Payments are for local government/ community infrastructure in Geelong. Needs are not assessed for these types of services.	Agree - payment should not impact as the needs are not assessed
<i>Feasibility study Skenes Creek to CCT</i>	Construction of a coastal trail for pedestrians and cyclists between Apollo Bay and Skenes Creek incorporating path improvements, signage, bridges and cantilevered walkways.		Impact	Payments are related to improving tourism. This a normal state function and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Improvements to Tourism Infrastructure - Kennett River</i>	Construction of a new public toilet facility, wastewater treatment facility, and development of new parking and traffic management infrastructure, including new signage, pedestrian paths, and road widening.		Impact	Payments are related to improving tourism. This a normal state function and needs are assessed.	Agree - payments should impact as the needs are assessed
Perth		68.9			
<i>Perth Cultural Centre Rejuvenation</i>	Development of a master plan for the precinct including ambient lighting, improved security, signage, landscaping, and upgraded entrances. Longer term initiatives could include		Impact	Payments are for the development of a cultural centre. This is normal state service and needs are assessed.	Agree - payments should impact as the needs are assessed

Commonwealth payment	Description	2021-22 \$m	Proposed treatment	Reason for treatment	Queensland position
	landscaping, cultural and arts centre, undergrounding of electrical services, and lighting and CCTV to improve safety and security.				
<i>Perth Concert Hall Redevelopment</i>	Redevelopment of the Concert Hall to provide a home for the WA Symphony Orchestra (WASO) including an education music centre and retail and hospitality venues.		Impact	Payments are for the development of a cultural centre. This is normal state service and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Homelessness projects</i>	Housing and support services to vulnerable people in need who are experiencing homelessness and rough sleeping in Perth.		Impact	Payments are to develop social housing. This is a normal state government function and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Perth Aboriginal Cultural Centre Pre-feasibility Study</i>	Delivery of an Aboriginal Culture Centre that will focus on First Nations heritage, cultural practices and tourism.		Impact	Payments are for the development of a cultural centre. This is normal state service and needs are assessed.	Agree - payments should impact as the needs are assessed
Hinkler		3.0			
<i>Multi use conveyor – Port of Bundaberg</i>	The Common User Infrastructure Project will enable the Port to appeal to a wider range of vessels, with improved loading and unloading times compared to current facilities.		No impact	The payment supports business development of a port. While ports are a normal state government service, the Commission does not assess expenditure needs related to ports in its non-urban transport assessment.	Agree - payment should not impact as the needs are not assessed. (non-urban transport)
Albury-Wodonga		0.6			
<i>Cultural Tracks & Trails Project</i>	Funding towards practical completion of Murray River Experience – Inamura sculpture walk and Gateway Island – river walk and cultural trail.		Impact	Payments are related to improving tourism. This a normal state function and needs are assessed.	Agree - payments should impact as the needs are assessed

