



**New issues for the 2021 Update**  
Queensland response

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## Summary

Queensland Treasury appreciates the opportunity to provide input to the Commonwealth Grants Commission's preparation for the 2021 Update Report.

Queensland Treasury is broadly supportive of treatments proposed by Commission staff, except for the treatment of Commonwealth payments associated with Grace's Place. These payments are for mental health services, for which the needs are assessed in the health assessment, and therefore should impact states relativities. The primary consideration should be the purpose of the payment and not how the payment is structured.

## Proposed treatment of Commonwealth payments commenced in 2019-20

Payment	Description	Payment Value (\$M)	CGC Impact Advice	Reason for Treatment	Queensland Treasury Position
COVID-19 public health response	Funding to provide financial assistance for the additional costs incurred by State health services in responding to the COVID-19 outbreak, including as a result of the diagnosis and treatment of patients with COVID-19 or suspected of having COVID-19, and efforts to minimise the spread of COVID-19 in the Australian community.				
	Hospital Services and State Public Health payments	1,799	No Impact	Payment supports State services. However, the drivers of Commonwealth funding under this agreement (Covid-19) may be influenced by factors not assessed in the Commission's Health category assessment	<b>Support no impact.</b> The payment supports state services, however, the drivers (COVID-19 pandemic) are not assessed in the Commission's assessment.
	Private hospital financial viability payment	1,156	No Impact	This is a payment from the Commonwealth to private hospitals via the states.	<b>Support no impact.</b> The payment supports private hospitals during the COVID-19 pandemic.
Achieving better health outcomes	Funding for NSW for the refurbishment of Deniliquin Hospital and to establish a nurse-driven pilot program at Heart Centre for Children at Westmead Hospital.	0.3	Impact	Payment supports State services for which needs are assessed.	<b>Support impact.</b> The payment supports state services for which needs are assessed.

Payment	Description	Payment Value (\$M)	CGC Impact Advice	Reason for Treatment	Queensland Treasury Position
<i>Additional assistance for public hospitals</i>	<i>Funding to Tasmania and the Australian Capital Territory if growth in National Health Reform funding is lower than growth in CPI and population in a given year.</i>	4	<i>Impact</i>	<i>Payment supports State services for which needs are assessed.</i>	<b>Support impact.</b> The payment supports state services for which needs are assessed.
<i>Adult Mental Health Centres</i>	<i>Funding to establish an Adult Mental Health centre in Adelaide, SA. The centre will provide a range of mental health support services. The South Australian centre is one of eight centres which are being established as part of a Commonwealth trial designed to improve accessibility to appropriate mental health services for adults.</i>	2	<i>No impact</i>	<i>Payment supports State services for which needs are assessed. However, the adult mental health centre is one of eight centres across the country which are being established as part of a Commonwealth trial. The trials in other states are being funded through Commonwealth Own Purpose Expenditure. All payments should be treated consistently</i>	<b>Support no impact.</b> The payment supports state services for which needs are assessed, however, the adult mental health centre is one of eight centres across the country which are being established as part of a Commonwealth trial. The trials in other states are being funded through Commonwealth Own Purpose Expenditure. All payments should be treated consistently.
<i>Comprehensive palliative care across the life course</i>	<i>Funding for new and innovative approaches to improve palliative and end-of-life care coordination for older Australians living in residential aged care.</i>	4	<i>No impact</i>	<i>Aged care, including residential aged care, is a Commonwealth responsibility. Needs are not assessed for aged care.</i>	<b>Support no impact.</b> The payment supports a Commonwealth responsibility.

Payment	Description	Payment Value (\$M)	CGC Impact Advice	Reason for Treatment	Queensland Treasury Position
<i>Grace's Place</i>	<i>Funding provided to New South Wales to assist with the construction of Grace's Place, a residential trauma recovery centre for children and young people aged between 3 and 18 years impacted by homicide.</i>	<i>4</i>	<i>No Impact</i>	<i>This is a payment to a third party. NSW will disperse the funds to the Homicide Victims Support Group (an NGO) through a grant.</i>	<b>Do not support.</b> These payments are for mental health services, for which the needs are assessed in the health assessment, and therefore should impact states relativities. The primary consideration should be the purpose of the payment, and not how the payment is structured.
<i>CCTV trial in aged care facilities</i>	<i>Funding to support the delivery of a 12-month trial of installation of camera surveillance and monitoring systems across a number of Local Health Networks' residential facilities in South Australia.</i>	<i>0.5</i>	<i>No impact</i>	<i>Aged care, including residential aged care, is a Commonwealth responsibility. Needs are not assessed for aged care services.</i>	<b>Support no impact.</b> The payment supports a Commonwealth responsibility.
<i>Lymphoedema garments and allied health therapy</i>	<i>This Agreement will contribute to improving access to compression garments by eligible patients.</i>	<i>2</i>	<i>Impact</i>	<i>Payment supports State services for which needs are assessed.</i>	<b>Support impact.</b> The payment supports state services for which the CGC assesses the need.
<i>Veteran Wellbeing Centre Program</i>	<i>Funding to develop Veterans' Wellbeing Centres in partnership with ex-service organisations and State governments. The centres in Queensland and South Australia will be established in areas with significant numbers of veterans and transitioning members by the relevant State government or ex-service organisation. The centres will facilitate the provision of wellbeing services including employment support, health and housing initiatives</i>	<i>5</i>	<i>No impact</i>	<i>Services for veterans are a Commonwealth responsibility. Needs are not assessed for veterans' services.</i>	<b>Support no impact.</b> The payment supports a Commonwealth responsibility.

Payment	Description	Payment Value (\$M)	CGC Impact Advice	Reason for Treatment	Queensland Treasury Position
<i>Local Schools Community Fund</i>	<i>Funding directly to local schools via applications. Government, Catholic and Independent are all eligible.</i>	30	<i>No impact</i>	<i>Payments are through States to private schools.</i>	<b>Support no impact.</b> The payments are through states to private schools and is consistent with changes made in the 2020 Methodology Review.
<i>National Infection Control Training Fund</i>	<i>Funding to provide fee-free or low fee training on infection control, delivered through ASIC endorsed training packages. Primary recipients will be workers in industry including retail, tourism, hospitality cleaning, security, transport and logistics.</i>	8	<i>No impact</i>	<i>Payment supports State services. However, the drivers of Commonwealth funding under this agreement (Covid-19) may be influenced by factors not assessed in the Commission's Postsecondary category assessment.</i>	<b>Support no impact.</b> Although the payment is supporting state services that are assessed, the COVID-19 response drivers are not accounted for in the assessment.
<i>Skills for Tasmania</i>	<i>Funding to provide fee-free training and support for training materials to encourage Tasmanians to train in areas of priority skills needs.</i>	2	<i>Impact</i>	<i>Vocational education training is a normal State-type function and needs are assessed.</i>	<b>Support impact.</b> The payment supports state services, for which the CGC assesses the need.
<i>COVID-19 Domestic violence support</i>	<i>This Agreement will support the States to respond immediately to increases in domestic, family and sexual violence as a result of COVID-19, and to ensure services can continue to support those who need it most.</i>	33	<i>No impact</i>	<i>Payment supports State services. However, the drivers of Commonwealth funding under this agreement (Covid-19) may be influenced by factors not assessed in the Commission's Welfare category assessment</i>	<b>Support no impact.</b> Although the payment is supporting state services that are assessed, the COVID-19 response drivers are not accounted for in the assessment.

Payment	Description	Payment Value (\$M)	CGC Impact Advice	Reason for Treatment	Queensland Treasury Position
<i>NDIS Strategic Investment in Queensland</i>	<i>This Agreement will support the delivery of the NDIS in Queensland through increasing the number of NDIS participants in Queensland.</i>	<i>3.5</i>	<i>No Impact</i>	<i>NDIS payments have previously been excluded, under ToR. NDIS transition payments historically have been treated as no impact, even without ToR.</i>	<b>Support no impact.</b> NDIS payments have been excluded by historical terms of reference.
<i>Major projects Business Case Fund</i>	<i>Funding for the development of business cases for road and rail infrastructure projects.</i>	<i>13.5</i>	<i>Impact</i>	<i>Business case development for road and rail infrastructure projects are a normal State-type functions and needs are assessed.</i>	<b>Support impact.</b> The payment supports state services for which the CGC assesses the need.
<i>Urban congestion fund</i>	<i>\$4 billion over the next 10 years through the Urban Congestion Fund, to reduce congestion in urban areas. The fund is complementary to the Roads of Strategic Importance Initiative.</i>	<i>148</i>	<i>Split</i>	<i>Infrastructure spending on the National Network are treated as 50% 'no impact' (as per the 2020 Review Commission decision). Off network payments are treated as impact on the relativities. Budget Analysis team will seek advice from the Department of Infrastructure on the list of projects funded under this NPP, and whether they are on or off network</i>	<b>Support impact.</b> The payment supports state services for which the CGC assesses the need, noting payments for the national road network attract a 50% discount.

Payment	Description	Payment Value (\$M)	CGC Impact Advice	Reason for Treatment	Queensland Treasury Position
<i>Adelaide City Deal</i>	<i>Funding of \$64 million over four years to support projects under the Adelaide City Deal, including the development of a new innovation and cultural precinct in the city centre.</i>	3	<i>Impact</i>	<i>Payments support areas of State government responsibility and needs are captured in the relevant category investment assessment.</i>	<p><b>Support the proposed treatments for 2020-21.</b></p> <p>However, city deals involve multiple sub-projects. Therefore, the CGC should assesses these individually.</p>
<i>Barkly Regional Deal</i>	<i>Funding of \$22.4 million over three years to support projects that boost economic and social development in the Barkly region.</i>	1	<i>Impact</i>	<i>Payments support areas of State government responsibility and needs are captured in the relevant category investment assessment.</i>	
<i>Darwin City Deal</i>	<i>Funding of \$32.3 million over four years to support projects under the Darwin City Deal.</i>	25	<i>No impact</i>	<i>Payments primarily relate to support for Charles Darwin University, which is a Commonwealth responsibility.</i>	
<i>Geelong City Deal</i>	<i>Funding of \$183.8 million over five years to support projects under the Geelong City Deal, including the Shipwreck Coast Master Plan, Great Ocean Road projects and projects in the Geelong city centre.</i>	1.5	<i>Impact</i>	<i>Payments primarily support areas of State government responsibility and needs are captured in the relevant category investment assessment.</i>	
<i>Launceston City Deal</i>	<i>Funding of \$42.1 million over four years towards projects under the Launceston city deal including relocating the University of Tasmania campus and projects to reduce pollution and improve the health of the Tamar River in Launceston.</i>	2.5	<i>No impact</i>	<i>Payments primarily relate to support for University of Tasmania, which is Commonwealth responsibility, or for environmental infrastructure, where needs are not assessed.</i>	
<i>Bushfire Wildlife and Habitat Recovery</i>	<i>Post-disaster funding for wildlife and habitat recovery.</i>	13	<i>No impact</i>	<i>Payment is for environmental protection. Needs for environmental protection are not assessed.</i>	<p><b>Support no impact.</b></p> <p>The CGC does not assess environmental protection.</p>

Payment	Description	Payment Value (\$M)	CGC Impact Advice	Reason for Treatment	Queensland Treasury Position
<i>Lindenow Valley water security scheme</i>	<i>This Agreement will support the delivery of grants to eligible Irrigators within the Lindenow Valley of East Gippsland Victoria for the construction of on-farm water storage facilities, or bores and pumping facilities, to increase water security and improve resilience to drought.</i>	<i>1</i>	<i>No impact</i>	<i>Payment supports State services but expenses for drought assistance are not differentially assessed.</i>	<b>Support no impact.</b> However, Commission staff need to ensure payments like these are solely for drought assistance and treating payments for water infrastructure as impacting as these needs are assessed.
<i>Water efficiency program</i>	<i>The Australian Government will provide funding for State-led efficiency measures in the Murray-Darling Basin under the Water for the Environment Special Account.</i>	<i>0.3</i>	<i>No impact</i>	<i>Payment supports State services, but expenses (environmental protection) are not differentially assessed.</i>	<b>Support no impact.</b> The CGC does not assess environmental protection.
<i>Water for fodder program</i>	<i>This is part of the Australian Government's Drought Response, Resilience and Preparedness Plan. Funding for South Australia to produce 40 gigalitres of water from the Adelaide Desalination Plant at the actual marginal cost of production and to transfer water allocations from entitlements held by the State to irrigators in the Southern Murray Darling Basin under the Water for Fodder program.</i>	<i>28</i>	<i>No impact</i>	<i>Payment supports State services but expenses for drought assistance are not differentially assessed. Commonwealth purchasing a service.</i>	<b>Support no impact.</b> However, Commission staff need to ensure payments like these are solely for drought assistance and treating payments for water infrastructure as impacting as these needs are assessed.
<i>Yellow crazy ant control</i>	<i>Funding to ensure a more concerted approach to yellow crazy ant control activities in and adjacent to the wet tropics of Queensland World Heritage Area.</i>	<i>3</i>	<i>No impact</i>	<i>Environmental protection expenses are not assessed.</i>	<b>Support no impact.</b> The CGC does not assess environmental protection.

Payment	Description	Payment Value (\$M)	CGC Impact Advice	Reason for Treatment	Queensland Treasury Position
<i>Bushfire legal assistance funding</i>	<i>Additional funding for legal assistance services to help address the impact of the bushfires of 2019 20. Funding is being provided to individuals, small businesses and primary producers through the States most severely affected by the bushfires.</i>	3	No impact	<i>Payment supports State services. However, the drivers of Commonwealth funding under this agreement (bushfires) may be influenced by factors not assessed in the Commission’s Justice category assessment.</i>	<b>Support no impact.</b> Drivers (bushfires) are not assessed by the CGC.
<i>COVID-19 legal assistance funding</i>	<i>Additional funding for legal assistance services provided by legal aid commissions, community legal centres, Aboriginal and Torres Strait Islander Legal Services and Family Violence Prevention Legal Services to help address the impact of COVID-19.</i>	28	No impact	<i>Payment supports State services. However, the drivers of Commonwealth funding under this agreement (Covid-19) may be influenced by factors not assessed in the Commission’s Justice category assessment</i>	<b>Support no impact.</b> Although the payment is supporting state services that are assessed, the COVID 19 response drivers are not accounted for in the assessment.
<i>Family advocacy and support services</i>	<i>The Australian Government is supporting the operation of family advocacy and support services by legal aid commissions. They are providing integrated duty lawyer and family violence support services at locations across Australia.</i>	10	No impact	<i>This payment primarily supports family law court services, a Commonwealth function.</i>	<b>Support no impact.</b> The payment supports a Commonwealth responsibility.
<i>Family law information sharing</i>	<i>Funding to support safety officials to facilitate information sharing between the family law, child protection and family violence legal systems. They will also foster a more coordinated response to safety issues, to promote the safety and wellbeing of families and children.</i>	3	No impact	<i>Funding is for a trial placement to support collaboration between the federal family law system and State agencies; the funding predominantly supports a Commonwealth function.</i>	<b>Support no impact.</b> The payment supports a predominantly Commonwealth responsibility.

Payment	Description	Payment Value (\$M)	CGC Impact Advice	Reason for Treatment	Queensland Treasury Position
<i>Household resilience program</i>	<i>The Household Resilience Program provides grants to eligible homeowners in coastal parts of Queensland improve the resilience of their homes against cyclones.</i>	<i>10</i>	<i>No Impact</i>	<i>This is a payment from the Commonwealth to third parties via the State. The State is administering the program on behalf of the Commonwealth.</i>	<b>Support no impact.</b> The service is not assessed by the CGC.
<i>National tourism icons package</i>	<i>Supports the delivery of funding for sustainable visitor infrastructure to enhance tourist attractions. The projects will provide a catalyst for developing tourism within each region, create jobs and help to diversify local economies. Projects are the Wangetti Trail in Queensland, Rottneest Island in Western Australia and Freycinet in Tasmania.</i>	<i>5</i>	<i>Impact</i>	<i>Payment supports State services for which needs are assessed.</i>	<b>Support impact.</b> The payment supports state services for which the CGC assesses the need.