

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 2024 Update Report.

A summary of Queensland's positions is provided in Table 1 below. Details are provided in sections 1 to 10.

TABLE 1 – SUMMARY OF QUEENSLAND POSITIONS

Issue	Commission proposal	Queensland position
First Nations population projections	Adjust First Nations population projections based on the ratio between actual and projected First Nations populations for 2021.	Support , subject to consideration of the issues outlined in the submission
Census – Measures of remoteness	Use 2021 Census data to update measures of remoteness area.	Support
Census – Measures of socio-economic status	Use 2021 Census data to update measures of socio-economic status.	Support , subject to consideration of the issues outlined in the submission
Census – First Nations geographies	Use 2021 Census data to update discrete First Nations communities, significant urban areas and urban centres.	Support , subject to consideration of the issues outlined in the submission
Justice Assessment	Retain ABS Estimated Resident Population data with First Nations population estimates based on the 2016 Census.	Support
Transport Assessment	Update with ABS 2021 Census geographies and distance to work data, 2016 Census passenger numbers and Geoscience Australia slope data.	Do not support
Payroll tax Assessment	Remove the defence force personnel and Department of Foreign Affairs and Trade overseas employees' adjustment from Compensation of Employees data.	Support
National capital Assessment	Suspend the national capital assessment from the calculation of GST relativities for the 2024 Update if the ACT's assessed GST needs for the national capital assessment are negative.	Support
Mining Assessment	Introduce a separate mining revenue assessment for nickel.	Noted

Issue	Commission proposal	Queensland position
Commonwealth Payments	Do states agree with the proposed treatment of Commonwealth payments commenced in 2021-22.	Agree

1. First Nations population projections

Commission staff proposal:

- ABS sub-state First Nations population estimates for 2021 will be incorporated into the 2024 Update, however the ABS has not yet updated the First Nations population projections. These will be available in 2024 after finalisation of the update.
- In the interim, the ABS First Nations population projections will be adjusted by the Commission to be more current. In this update, First Nations population projections (by state and age) will be adjusted based on the ratio between actual and projected First Nations populations for 2021. This follows the approach used in the 2018 Update, before the projections based on the 2016 Census were available.

Queensland position:

- Queensland supports adopting this approach as an interim measure and incorporating the 2021 First Nations population projections into subsequent updates given that data will not be available before the 2024 Update is finalised. This is subject to the data not being perversely impacted by issues with non-demographic factors as described in issue 5 below. Using this data aligns with the Commission's contemporaneity principle.

2. Census – Measures of remoteness

Commission staff proposal:

- The remoteness of certain areas has changed after the 2021 Census, primarily because some urban centres, along with their surrounding areas, have grown and become more accessible.
- For the 2024 Update, the remoteness classifications have been updated to account for changes in the 2021 Census.

Queensland position:

- Queensland supports updating the remoteness classifications based on the 2021 Census. Using this data aligns with the Commission's contemporaneity principle.

3. Census – Measures of socio-economic status

Commission staff proposal:

- The Commission relies on agency data classified by Indigenous Relative Socio-Economic Index (IRSEO), Indigenous and Non-Indigenous Socio-Economic Index for Areas (SEIFA/NISEIFA) for the post-secondary education, health, welfare and justice assessments.
- In the 2024 Update, the measures of IRSEO, NISEIFA and SEIFA used to classify these data have been updated with new data from the 2021 Census.

- In the health assessment, the non-state sector adjustment calculations are classified by SEIFA. From the 2024 Update onwards, data will be available that will allow these calculations to shift from SEIFA to IRSEO/NISEIFA based data. This would bring these assessments in line with all other assessments that use IRSEO/NISEIFA.

Queensland position:

- Queensland supports updating the measure of socio-economic status based on the 2021 Census, subject to the data not being perversely impacted by issues with non-demographic factors as described in issue 5 below. We also support the shift from SEIFA to IRSEO/NISEIFA in the health assessment which should offer an improvement in data quality.

4. Census – First Nations geographies

Commission staff proposal:

- The population of discrete First Nations Communities have been updated by the Commission based on 2021 Census data. These were estimated based on census counts, calibrated to the ABS First Nations population estimates by Statistical Area Level 3.
- ABS data on significant urban areas and urban centres will be updated in the transport and services to communities assessments using 2021 Census geographies.

Queensland position:

- Queensland supports updating the population of First Nations discrete communities, subject to the data not being perversely impacted by issues with non-demographic factors as described in issue 5 below.

5. Justice assessment

Commission staff proposal:

- The ABS has released First Nations population estimates based on the 2021 Census. These estimates are combined with use weights from the 2020 Review to calculate a policy neutral number of justice service users.
- Use weights from the 2020 Review were derived using state data for offenders and defendants from 2015 to 2017 and ABS 2016 Census estimated residential population.
- According to the 2021 Census over half the reported growth in First Nations population was due to non-demographic factors such as increased self-identification and improved census coverage.
- As a result, the composition of the First Nations population in the 2021 Census is not comparable with the 2016 Census population projections.
- The Commission’s preliminary view is to apply 2016 Census based use weights to the 2016 Census based population estimates for First Nations people in the 2024 update, which is consistent with the approach taken in the 2018 update when facing a similar issue. The Commission anticipates that the 2021 Census estimates of First Nations would be incorporated into the justice assessment when use weights are recalculated as part of the 2025 Review.

Queensland position:

- Queensland supports the continued use of 2016 data in this instance. While there are contemporaneity issues with this approach, applying current use rates to 2021 projections would introduce an unacceptable risk to data quality.
- Applying the current use rates has the potential to significantly bias the results on this assessment and could potentially result in a redistribution away from states that have genuine, above average need such as Queensland and Northern Territory. This is supported by Figure 1 in the New Issues paper, which shows that over 60 percent of the change in population in states such as New South Wales and Victoria is due to non-demographic factors.
- This issue of whether to include 2021 projections and how to do this in a way that does not compromise data quality should be further revisited during the 2025 Review. Queensland would recommend that the Commission tests proposed approaches to the inclusion of 2021 projections early in the 2025 Update process and consult with states on their findings to ensure that this significant bias can be corrected appropriately using an updated IRSEO index when available.

6. Transport assessment

Commission staff proposal:

- The Commission needs to consider whether to use the ABS 2021 Census definition of significant urban areas in the urban transport assessment. The significant urban areas based on the 2021 Census differ from those identified in the 2016 Census.
- In addition, ABS population estimates have been revised which will impact the population density of new and existing significant urban areas.
- The Commission considers it appropriate to apply the coefficients based on data from the 2016 Census to the 2021 Census geographies. This is because the newly defined urban areas have similar urban centre characteristics to those modelled in the regression.
- In addition to updating the populations and population density of urban areas, the network complexity and topography measures also need to be updated. Updated data are available for use in the 2024 Update.
- ABS Census distance to work data is used as a proxy for network complexity. While the pandemic heavily impacted public transport use, the Commission considers that network complexity was largely unaffected by the pandemic and 2021 Census data is suitable to use.
- Average slope data is used as a proxy for topography, and the Commission will use updated slope data from Geoscience Australia in the 2024 Update.
- In the 2023 Update, the Commission determined that passenger numbers from the 2021 Census were impacted by COVID-19 restrictions and not appropriate for use in the assessment. Therefore, 2016 Census data will continue to be used to represent passenger numbers until 2026 Census data become available.

Queensland position:

- Queensland does not support updating the urban transport assessment model with population and geographies derived in the 2021 Census.
- Queensland has identified multiple substantial issues with the urban transport expenses and investment assessments, which are included as part of Queensland's submissions for the 2025 Methodology Review. Given these issues are fundamental to the assessments, updating the population and population weighted density (PWD) using the 2021 Census as suggested by the Commission would be highly inappropriate until the assessments can be fully reviewed as part of the 2025 Review.
- Additionally, as noted in Table 3 of the New Issues paper, these proposed updates would have materially significant impacts on the assessment. This is highly concerning, especially given that these material changes are driven by the not fit for purpose PWD and population squared variables. This further highlights the need to review these variables in detail as part of the 2025 Review before any update to the urban transport assessments.
 - Furthermore, expenses assessments should not be this volatile between methodology reviews. Updates are designed to make relatively small adjustments to assessments to improve data quality or contemporaneity. It is Queensland's position that any changes resulting in a material redistribution of GST should not be made, given the short consultation period available in relation to updates and the limited ability for states to analyse changes in detail as part of that process.
- The Commission's evidence provided in the New Issues paper that a greater level of over-equalisation (referring to redistribution above what needs would suggest) would result through updating PWD and population squared, confirm Queensland's substantial concerns raised in its Tranche 1 submission that updating data and re-estimating regressions for these assessments will exacerbate the distribution of GST against equalisation. This is despite there likely being no material differences in urban transport need between different SUAs and that these changes in ABS geographies are arbitrary and have little effect on the urban transport task.
- The Commission suggests that the newly defined areas have similar urban characteristics and thus bias is not an issue. However, it is not clear what is meant by this statement and no evidence has been presented to demonstrate this. In fact, contrary to this Queensland considers it to be extremely unlikely that the newly defined areas introduced (resulting from geography updates following the Census) will be so similar as to *not* introduce elements of bias.
- Indeed, observing the estimated impacts outlined in Table 3 of the New Issues in the 2023 Update clearly demonstrates that this change would be clearly material and suggests there are strong biases within the updated SA1 data. This is highly concerning given the significant biases already associated with SA1 data. Accordingly, this updated data continues to demonstrate that PWD and population squared are flawed and not fit for purpose variables. Updating this data will accentuate the issues associated with these variables rather than correct them.
- The key grounds for this data being considered inadequate are discussed below:
 - As established in Queensland's Tranche 1 submission to the 2025 Review, the inclusion of non-residential land uses and the above average presence of new developments, through

the population weighted density variable, can have a significant impact on assessment results.

- Most increases in PWD from the 2021 census were driven by SA1 boundaries being redrawn for areas that have new developments. Indeed, the large increases in PWD shown in Figure 2 of the New Issues paper for Melbourne are likely largely attributable to the significant redrawing of SA1 boundaries in outer suburban areas of the SUA. This redrawing has significantly increased PWD in Melbourne from new developments. Similarly, SA1 boundaries have been redrawn in Sydney, greatly increasing PWD from new developments. Overall, both SUAs have had their SA1 boundaries substantially changed to segregate new residential developments from non-residential land uses.
- Whilst there has been some redrawing of SA1 boundaries in the Brisbane SUA, there remains many new residential developments that, because of the method of calculating PWD, are not yet reflected in the ABS data which the Commission is using to calculate PWD. This underestimates Brisbane's PWD.^[1] Overall, compared to Sydney and Melbourne, the current method for the Brisbane SUA is comparatively underestimating its PWD.
- Therefore, the PWD of Sydney and Melbourne has been increased by a disproportionately high level compared to Brisbane. It is likely this disproportionately lower level of PWD increase is consistent across other SUAs and demonstrates significant inconsistencies with the updates to SA1 data, demonstrating that it is not fit for purpose. *See Issue 3c of the Urban Transport Expenses section in Queensland's Tranche 1 submission for further analysis.*
- Furthermore, approximately 15 to 20 per cent of SA1s in Brisbane remain significantly diluted because of non-residential land and residential land being included in the same SA1. The redrawing of SA1 boundaries has had very little impact on the proportion of SA1s being diluted by non-residential land. This is compared to approximately 5 per cent in Sydney. These significant disparities illustrate that PWD is not a fit for purpose variable for assessing urban transport need. *See Issue 3a, Issue 3b, and Issue 3d of the Urban Transport Expenses section in Queensland's Tranche 1 submission for further analysis.*
- Updating the population data would also further distort the redistribution of GST against equalisation in the urban transport investment assessment. This update would see a significant volume of GST continuing to be redistributed because of the population squared variable. This is despite Sydney and Melbourne both experiencing population growth at lower rate than Brisbane for the relevant period.¹ *Detailed analysis on how the population squared variable is not fit for purpose will be included in Queensland's Tranche 2 submission related to the 2025 Review.*
- Given the significant issues with the population squared and PWD variables and the high materiality of updating the population data, the Commission should delay any updates until a thorough review of the urban transport investment assessment can be undertaken during the 2025 Review.

^[1] 2021 SA1s identified include: SA1 codes 31,104,156,908; 31,004,130,438; 31,302,136,419; 31,402,157,818; 31,403,139,201; 31,401,138,301; 31,402,138,941; 31,602,158,001; 31,304,137,549; 31,004,156,501; 31,104,156,906; 31,304,137,609; 31,304,137,603. This list is not exhaustive. There are many other examples, both in Queensland and other states.

¹ Australian Bureau of Statistics. 2021 Census.

7. Payroll tax assessment

Commission staff proposal:

- The payroll tax assessment measures each state's revenue-raising capacity using 'taxable remuneration' in the private and public sectors. An adjustment is performed to remove remuneration of general government sector employees and remuneration below an average payroll threshold by applying a 'taxable proportion' derived from ABS wages and salaries data.
- Before applying the taxable proportion, the Commission makes an adjustment to remove compensation of employees relating to Australian Defence Force (ADF) personnel and employees of Australian embassies overseas. This is because this is outside the scope of ABS wages and salaries data.
- From 2022–23, the ABS will change its method of collecting the public sector wages and salaries data used by the Commission. This new data source from the Australian Taxation Office will include wages and salaries of ADF personnel and Australian embassy employees. As a result, the remuneration of these employees can be excluded using the taxable proportion and thus this adjustment can be ceased.

Queensland position:

- Queensland supports the Commission making this change, with the new data source this adjustment is no longer necessary. Furthermore, the use of actual data in place of an adjustment should offer an improvement in data quality.

8. National capital assessment

Commission staff proposal:

- The national capital assessment recognises the unavoidable additional costs incurred by the ACT because of Canberra's status as the national capital or legacies inherited from the Commonwealth when granted self-government.
- It is likely that in the 2024 update, ACT's assessed GST need will be negative because of the police allowance's negative assessed expenses – the wages paid to Australian Federal Police in ACT Policing are less than those estimated using the wage costs assessment – more than offsetting the planning allowance.
- The Commission's preliminary view is to suspend the national capital assessment from the calculation of GST relativities for the 2024 Update if the ACT's assessed GST needs for the national capital assessment are negative.

Queensland position:

- Queensland supports making this change.

9. Mining assessment

Commission staff proposal:

- The Commission assesses state mining capacity using a ‘mineral by mineral’ approach and, in the 2020 Review the Commission noted that its intention was to retain its mining revenue structure until the following (2025) Review.
- However, under the mining assessment, if one of the separate mineral assessments became immaterial or a separate assessment of another mineral became material, the Commission can exercise its judgment on whether equalisation would be improved by changing the structure of the mining assessment.
- Western Australia’s 2023–24 budget papers forecast nickel royalties to rise to \$154 million in 2022–23 and to remain above the figure for the foreseeable future. This would make a separate assessment of nickel material. The Commission’s preliminary view is to introduce a separate assessment of nickel royalties.

Queensland position:

- Queensland notes the proposed treatment for nickel royalties on the basis that materiality thresholds for its inclusion have been reached and are expected to remain material over a sustained period of time. This is in line with the current mining assessment approach.

10. New Commonwealth payments

Proposed Treatment of Commonwealth payments commenced in 2021-22

Commonwealth payment	Description	2022-23 \$m	Proposed treatment	Reason for treatment	Queensland position
Health					
Access to HIV Treatment	Funding to support the delivery of (HIV) care to all people living with HIV in Australia who are not eligible for Medicare.	0.6	No impact	Service is normally provided through Medicare. Medicare is treated as a nonstate service (Community and other health).	Agree - payments should not impact as this is a non-state service
Medicare Urgent Care Clinics	Establishment of 50 clinics that are available after hours to reduce pressure on hospital emergency departments and improve access for urgent situations.	8.8	No impact	Clinics are to support Medicare-funded health services. Medicare is treated as a non-state service (Community and other health)	Agree - payments should not impact as this is a non-state service
Palliative Care Services Navigation Pilot	Support for the delivery of a pilot to test a palliative care services navigation model. The pilot will develop an approach to end-of-life care pathways in South Australia.	1.0	Impact	Admitted patient services are a state responsibility and needs are assessed.	Agree - payments should impact as the needs are assessed
Primary Care Pilot	Funding to co-develop and pilot models that reduce pressure on emergency departments (ED) including ED diversion, ED prevention and strengthening partnerships between primary care, community care and the public health system.	50.0	Impact	Community health is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
Surge capacity for BreastScreen Australia	Funding as a one-off boost to capacity for the BreastScreen Australia program. It will enable services to catch up on delayed appointments.	2.0	Impact	Community health is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
World-class newborn bloodspot screening program	Funding to increase the number and consistency of conditions screened through the newborn bloodspot screening program.	4.9	Impact	Community health is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed

Commonwealth payment	Description	2022-23 \$m	Proposed treatment	Reason for treatment	Queensland position
Child Development Unit at Campbelltown Hospital	Funding to establish a child development unit to enhance current services for children aged 2-6 years with developmental delay concerns at Campbelltown Hospital.	4.0	Impact	Health investment is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
Comprehensive Cancer Centres	Funding to support the establishment of Comprehensive Cancer Centres in Brisbane, Perth and Adelaide.	2.5	Impact	Health investment is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
South Australian Genomics Lab	Funding to establish a cancer genomics laboratory in South Australia, which aims to improve treatment options for Australians with cancer.	7.0	Impact	Health investment is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
Supporting Palliative Care in Launceston	Funding to support the construction of a new hospice, located within the Launceston General Hospital Precinct, to improve palliative care in northern Tasmania.	5.0	Impact	Health investment is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
Expansion of the John Flynn Prevocational Doctor Program	Funding for additional rural primary care training rotations for junior doctors through the John Flynn Prevocational Doctor Program.	12.5	Impact	Hospital services are a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
Registration Scheme for Personal Care Workers	Funding to establish a national registration scheme and code of conduct for personal care workers in the aged care sector.	1.2	No impact	Aged care is a Commonwealth responsibility (Non-NDIS Disability services, aged care and national redress scheme)	Agree - payments should not impact as this is primarily a Commonwealth responsibility
Education					
Building boarding schools On-Country	Commonwealth investment to provide more options for local secondary education in remote communities through Studio Schools of Australia.	54.1	Out of scope	This is a payment to a non-government school. Support for non-government schools is primarily a Commonwealth rather than a state responsibility and therefore out of scope.	Agree – payments are out of scope because support for non-government schools is primarily a Commonwealth responsibility
National Student Wellbeing Program	This program supports the wellbeing of students through the provision of pastoral care services in participating schools.	61.4	Impact	Schools are a state service and needs are assessed.	Agree - payments should impact as the needs are assessed

Commonwealth payment	Description	2022-23 \$m	Proposed treatment	Reason for treatment	Queensland position
Schools Upgrade Funding – Round 1	Provision of \$265.8 million as part of the schools' upgrade fund, supporting capital projects to keep students and school staff safe after disruptions due to COVID-19.	49.1	Impact	School infrastructure is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
Student Wellbeing Boost	Funding to schools to support mental health and wellbeing through the impacts of COVID-19.	192.0	Impact	Pastoral care in schools is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
Workload Reduction Fund	Funding to pilot new approaches to reduce teacher workloads and maximise the value of teachers' time.	4.0	Impact	School staffing is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
Skills and Workforce Development					
Fee-free TAFE – 12-Month Skills Agreement (including TAFE Technology Fund)	Provision of \$493.3 million for fee-free TAFE places to be matched by the states, \$6.8 million to improve critical data infrastructure, and \$50.0 million for a TAFE Technology Fund to improve workshops, laboratories, and IT facilities across the country.	349.6	Impact	Vocational education training is a state function and needs are assessed.	Agree - payments should impact as the needs are assessed
Community					
Changing Places Implementation	Funding of up to one-third of the build cost per facility, to support the construction of Changing Places facilities.	0.4	Impact	Community facilities are a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
Extra high visibility police and law enforcement operations	Funding to improve remote community safety.	5.1	Impact	Community policing is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
Family, Domestic and Sexual Violence Responses Agreement – 500 community sector and frontline workers	Funding for new frontline and community sector workers to provide support to women and children who are experiencing violence.	14.9	Impact	Welfare is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed

Commonwealth payment	Description	2022-23 \$m	Proposed treatment	Reason for treatment	Queensland position
Family, Domestic and Sexual Violence Responses Agreement – Innovative approaches to addressing perpetrator behaviour	Funding to develop innovative approaches to address family, domestic, and sexual violence perpetrator behaviour.	0.5	Impact	Frontline family services are a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
Remote Community Store Licensing Scheme	Funding to transition the remote community store licensing scheme currently delivered by the Australian Government to the Northern Territory Government.	6.0	No impact	The Australian Government established a licensing regime for community stores in the NT as part of the Northern Territory National Emergency Response (NTNER). Because the NTNER was a quarantined payment, this follow-up part of the payment, that transfers responsibility for licensing from the Commonwealth to the NT government should also be no impact (Other industries regulation).	Agree - payments should not impact as this is consistent with previous treatment of NTNER payments
Affordable Housing					
Housing and essential services on Northern Territory Homelands	Funding to deliver critical housing and essential infrastructure on NT homelands.	25.0	No impact	This payment is part of the Commonwealth's closing the gap initiative that aims to address structural disadvantage for which needs are not assessed. (Housing, social housing component)	Agree - payments should not impact as the needs are not assessed
Social Impact Investments – People at risk of homelessness	Funding to state governments to trial social impact investments to help people at risk of homelessness.	0.3	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 - payments should not impact as the needs are not assessed
Environment, Energy and Water					

Commonwealth payment	Description	2022-23 \$m	Proposed treatment	Reason for treatment	Queensland position
Bolstering Australia's Biosecurity System – Protecting Australia from escalating exotic animal disease risks	Funding to support targeted actions by developing an inter-jurisdictional plant biosecurity network that will enhance detection and response capacity within northern Australia to combat new detections of diseases.	0.4	Impact	Agriculture regulation is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
CarbonNet	Funding to support CarbonNet's establishment of a commercial carbon capture and storage network in Victoria's Gippsland Basin.	10.0	Impact	Business development is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
Disaster Ready Fund - Coastal and Estuaries Risk Mitigation Program	\$50.0 million from the Disaster Ready Fund in 2022–23 to target high priority locally and nationally significant coastal and estuarine disaster risk mitigation projects.	50.0	No impact	Environmental protection is a state service, but needs are not assessed.	Agree - payments should not impact as the needs are not assessed
Food Waste for Healthy Soils Fund	Funding to support infrastructure that will divert organic waste from landfill towards improving Australian soils, as well as a \$10 million program aimed at avoiding food waste.	4.9	Impact	Business development is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
Horse traceability	Funding to increase horse traceability, targeting the spread of infectious diseases that have potentially significant market access and/or human health impacts.	0.6	Impact	Agriculture regulation is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
Investing in Australia's First Nations Culture and World Heritage	Funding to support the protection of First Nations' cultural heritage, including support for the addition of First Nations' heritage values to world and national heritage listings.	2.2	Impact	Cultural heritage is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
Marine Parks Management – Northern Territory Marine Parks	A partnership between the Director of National Parks and the Northern Territory Government to support Northern Territory marine parks.	0.2	No impact	Environmental protection is a state service, but needs are not assessed.	Agree - payments should not impact as the needs are not assessed

Commonwealth payment	Description	2022-23 \$m	Proposed treatment	Reason for treatment	Queensland position
Raine Island Recovery Project	Funding to re-establish and maintain Raine Island as a viable island ecosystem.	0.7	No impact	Environmental protection is a state service, but needs are not assessed.	Agree - payments should not impact as the needs are not assessed
Strengthen Australia's frontline biosecurity capability and domestic preparedness	Funding to support on-farm and off-farm transition to a national livestock traceability system, including for the individual electronic identification of sheep and goats, to be delivered and co-funded by state governments and industry.	2.2	Impact	Agriculture regulation is a state service and needs are assessed.	Agree - payments should impact as the needs are assessed
Temporary cap on the price of coal	Funding to support the New South Wales and Queensland governments to implement a temporary cap of \$125 per tonne on the price of coal used for electricity generation.	165.4	No impact	Measures to reduce national energy prices are not a usual state service (Services to Communities, electricity subsidies component).	Agree - payments should not impact as this is not a usual state service
Transforming Digital Environmental Assessments	Programs to harmonise and share biodiversity data among Commonwealth and state governments. Under this program, states will transform and share biodiversity data with the new National Biodiversity Data Repository.	1.2	No impact	Environmental protection is a state service, but needs are not assessed.	Agree - payments should not impact as the needs are not assessed
Other purposes					
National Legal Assistance Partnership - Support Criminal Justice Reform through Coronial Inquiries	Funding is for Aboriginal and Torres Strait Islander Legal Services (ATSILS) in each state. ATSILS are required to use this funding to provide culturally appropriate legal assistance in coronial inquiries for First Nations peoples.	2.7	No impact	Legal services for coronial court matters 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 legal	Agree - payments should not impact as the needs are not assessed

Commonwealth payment	Description	2022-23 \$m	Proposed treatment	Reason for treatment	Queensland position
				service' component. Therefore, needs are not assessed.	
Additional funding for Legal Aid – Commissions to support court reform	Funding for legal aid commissions to improve their capacity to support the implementation of, and transition to, a new case management approach in the Federal Circuit and Family Court of Australia. The funding supports the delivery of timely and effective family law services by legal aid commissions in response to increased demand arising from the new approach to case management.	16.5	No impact	Payment is for a state service (other legal services). However, the funding is used specifically to deliver advice for use of a fully funded Commonwealth entity.	Agree - payments should not impact as the needs are not assessed
Scotdesco water security project	Funding to contribute towards the investigation and delivery of a permanent solution to drinking water for the remote community of Scotdesco in South Australia.	0.3	Impact	Subsidised water is a state service and needs are assessed.	Agree - payments 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					
<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.	12.4	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					
<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 landscaping,	68.9	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
	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					
<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.	3.0	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					
<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.	0.6	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

Addendum - Supplementary payments identified following release of New Issues

Commonwealth payment	Description	2022-23 \$m	Proposed treatment	Reason for treatment	Queensland position
Health					
<i>Countering violent extremism initiatives /- High risk extremist De-radicalisation program</i>	The program is designed to rehabilitate high risk threats already within the Australian prison, detention, and corrective centre system.	3.7	Impact	Prison services are a normal state function and needs are assessed.	Agree - payments should impact as the needs are assessed
<i>Countering violent extremism initiatives /- Living safe together intervention program</i>	Living Safe Together is an Australian Government initiative to protect communities against all forms of violent extremism.	7.95	Impact	Public safety is a normal state function and needs are assessed	Agree - payments should impact as the needs are assessed
<i>Albury Regional Deal /- Delivery of Business Case</i>	Supports state planning functions for the Albury-Wodonga regional councils and the regional deal, which included projects in health, education, and infrastructure.	1.1	Impact	These are normal State functions and needs are assessed.	Agree - payments should impact as the needs are assessed



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