



Standing Committee on Public Accounts

Inquiry into Appropriation 2022-2022 (No 2) and Appropriation (Office of the Legislative Assembly) 2022-2022 (No 2) **ANSWER TO QUESTION ON NOTICE**

Mrs Elizabeth Kikkert MLA to ask the Treasurer

Ref: 2022-23 Budget Review, pp. 44, 57

In relation to: 2022-23 Budget Review: community sector funding

1. By year, how much of the additional \$2.087 million in funding for community sector indexation will be used to 'develop the first phase of a Sector Sustainability Program', how much will go towards extending community sector indexation to organisations funded by JACS, and how much will fund anything else (and what)?
2. Does the Budget Review provide any increase in recently established rates of indexation for community sector funding?

Mr Andrew Barr MLA: The answer to the Member's question is as follows:–

1. As per page 92 of 2022-2023 Supplementary Budget paper the Community Service Directorate will receive \$395,000 over next two years (2022-23 to 2023-24) which will be used to develop the first phase of the Sector Sustainability Program. More information about the Sector Sustainability Program can be found at www.communityservices.act.gov.au/about_us/strategic_policy/community-sector-reform

As per page 146 of 2022-23 Supplementary Budget paper, Justice and Community Safety (JACS) will receive an estimated \$1.146 million in indexation funding provided over the forward estimates over the next four years (2022-23 to 2025-26) which will be used for extending community sector indexation to organisations funded by JACS.

As per page 63 of 2022-23 Supplementary Budget paper the Chief Minister, Treasury and Economic Development Directorate is estimated to receive \$546,000 over the forward estimates over the next four years (2022-23 to 2025-26) to support a review and reconciliation of indexation arrangements for all community sector contracts across the ACT Government.

The table below provides a breakdown of funding across the three directorates:

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total
Developing the first phase of a Sector Sustainability Program	81	314			395
Extending community sector indexation to community organisations funded by JACS	166	248	325	407	1,146
Funding to support a review and reconciliation of indexation funding arrangements for all community sector contracts across the relevant Government Directorates and the management of an annual adjustment to the Community Sector Indexation rate.	134	136	137	139	546
TOTAL	381	698	462	546	2,087

- As per the ACT Government Response to the Counting the Cost: Sustainable funding for the ACT community service sector report the Government has determined that the application of Community Sector Indexation (CSI) will be considered annually based on a revised methodology that applies the Wage Price Index (WPI) or the Fair Work Commission increase to the Social, Community, Home Care and Disability Services (SCHADS) Award Wage changes to 80 per cent of the CSI with the remaining 20 per cent based on Consumer Price Index (CPI).

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 17. 3. 23

By the Treasurer, Mr Andrew Barr MLA