



## Standing Committee on Health and Community Wellbeing

### **Inquiry into Annual and Financial Reports 2022-2023**

#### **ANSWER TO QUESTION ON NOTICE**

Asked by Mrs Elizabeth Kikkert MLA

Reference: Hearing on 14 November 2023, Annual Report of Community Services Directorate

In relation to: Community Recovery and Emergency Relief and Food Assistance Program

Last financial year, the government's \$62,497 grant for freight costs to supply local food pantries ran out around October. We have been told that the subsidy for freight was increased to \$180,000 this year.

1. On what date last financial year was the government first made aware that the original freight grant was not going to last out the year?
2. On what date did the government then make the first additional payment (beyond the original grant) to subsidise the cost of freight for this endeavour, and to whom was this payment made?
3. On which subsequent dates were additional payments made, and to whom?
4. According to QoN no. 200 from Estimates hearings, the government paid a total of \$212,497 last financial year to subsidise freight costs. Why then is the funding for freight costs for 2023-24 only \$180,000, which is 15 per cent less than required last year?
5. Does the government's analysis suggest that the cost of freight will decrease this year, and if so, what factors were used to reach that prediction?
6. For what reason/s was the government's grant for freight costs cut by 33 per cent (from \$84,539 to \$56,230) in 2018-19?
7. Can the minister confirm her statement made during the hearing that the supplementation of the freight cost to \$180,000 is for this financial year only?
8. At this point, how much of the \$180,000 subsidy has been spent for freight costs to supply community food pantries?

Minister Davidson: The answer to the Member's question is as follows:–

1. CSD was first made aware there would be a shortfall in the original freight grant in September 2022.
2. In October 2022, CSD approved the rollover of \$133,877 in unspent funds from St Vincent de Paul's (SVdP) 2021-22 Emergency Material and Financial Aid funding to support the Food Assistance program. This amount supported the Food Assistance program to the end of

February 2023 while CSD worked with SVdP and other providers towards a solution that would ensure coverage to 30 June 2023.

On 17 March 2023, CSD and SVdP entered into an agreement allocating an additional \$150,000 for SVdP to continue managing the freight subsidy, and the full payment was made on 29 March 2023 to SVdP.

3. The additional amount was paid to SVdP in full, therefore there were no subsequent additional payments.
4. The Food Assistance Working Group established in 2022 by CSD has supported the implementation of cost saving measures and program efficiencies. Additionally, CSD entered into a direct agreement with Foodbank NSW/ACT to manage the freight subsidy for 2023/24. Foodbank NSW/ACT can efficiently manage costs of delivery in the ACT as per the model they operate in NSW. CSD is also working closely with Foodbank NSW/ACT to intently monitor expenditure of the freight subsidy funding to avoid periods of uncertainty.
5. No, at this time, analysis does not suggest the cost of freight will decrease this year.
6. Prior to the 2018/2019 financial year, when the management of the freight subsidy was transferred to SVdP, the Rotary Club of Canberra managed the subsidy. Over the period that the Rotary Club of Canberra managed the subsidy (from July 2009 to June 2018), they regularly had unspent funds which were returned to the ACT Government when their agreement concluded. As such, the funding amount was reconsidered when CSD entered into an agreement with SVdP.
7. Yes, the supplementation of the freight subsidy to \$180,000 is for the 2023/24 financial year only.
8. Of the \$180,000, \$84,289.3 has been spent on freight costs from 1 July 2023 to 16 November 2023 to supply community food pantries.

Approved for circulation to the Standing Committee on Health and Community Wellbeing

Signature: 

Date: 28/11/23

By the Assistant Minister for Families and Community Services, Ms Emma Davidson MLA