

# Community Sector Investment Over Time



## ACT for Community

### Introduction

The community sector provides services to virtually all Canberrans and serves as an essential safety net for people experiencing poverty and disadvantage. Increased demand and inadequate funding mean that Canberrans are falling through the cracks, as community organisations are forced to turn away people who desperately need help.

In the ACT, the community sector has raised concerns about systemic underinvestment with the ACT Government for over a decade, including in the *Counting the Costs Report*.<sup>1</sup> The ACT Government has acknowledged the validity of the community sector's concerns, but significant recommendations have not been actioned.<sup>2</sup> In this context, and amidst a cost-of-living crisis, understanding how investment in the sector has changed over time is vital.

ACT Government budget practices make it difficult to determine how funding for the community sector has changed over time. This is because community sector funding is not consistently labeled and total funding for the sector is not routinely reported. This factsheet uses two years in which the ACT Government provided information that allows investment in the community sector to be calculated: 2009-10 and 2022-23.

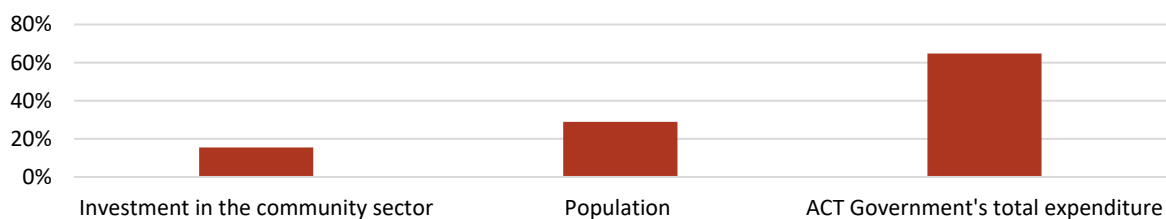
### Findings

In **2009-10**, the ACT Government invested approximately \$130 million in the community sector,<sup>3</sup> or **3.6%** of the total \$3.7 billion of expenditure budgeted that year.<sup>4</sup> In **2022-23**, the ACT Government invested approximately \$208 million in the community sector,<sup>5</sup> or **2.5%** of the total \$8.28 billion of expenditure budgeted that year – a **30% decline**.<sup>6</sup>

To directly compare the amount of investment in the community sector between 2009-10 and 2022-23, ACTCOSS adjusted for inflation.<sup>7</sup> An investment of \$130 million in 2009-10 was equivalent to \$180.20 million in 2022-23. The ACT Government increased its investment in the community sector by **15%** between 2009-10 and 2022-23 in real terms. Virtually all this investment was for reasons other than population growth, such as for new programs.

Nevertheless, it is worth comparing community sector investment with population growth. The ACT’s population grew **29%**,<sup>8</sup> or about double the rate of investment in the community sector. ACTCOSS also compared the change in funding for the community sector with the change in the ACT Government’s total expenditure. In real terms, the ACT Government’s total expenditure increased **65%**, more than four times its increase in investment in the community sector (**15%**).

**Change in community sector investment, ACT population, and total ACT Government expenditure between 2009-10 to 2022-23**



## Recommendations

1. The ACT Government should increase investment in each community sector contract by the rate of population growth with an automatic annual Population Level Adjustment
2. The ACT Government should retrospectively increase investment in the community sector by 30% to account for population growth since 2009-10
3. The ACT Government should routinely report the amount of investment in the community sector as part of its budget papers, using methods co-developed with the community sector.

## Notes

<sup>1</sup> Cortis, N., Blaxland, M. and Adamson, E. 2021. *Counting the Costs: Sustainable funding for the ACT community services sector*. Sydney: UNSW Social Policy Research Centre. [https://www.act.gov.au/data/assets/pdf\\_file/0019/2422081/Counting-the-Costs-Sustainable-funding-for-the-ACT-community-services-sector.pdf](https://www.act.gov.au/data/assets/pdf_file/0019/2422081/Counting-the-Costs-Sustainable-funding-for-the-ACT-community-services-sector.pdf)

<sup>2</sup> ACT Government. 2023. ACT Government Response to the Counting the Costs: Sustainable funding for the ACT community service sector Report. [https://www.parliament.act.gov.au/data/assets/pdf\\_file/0005/2185385/5\\_ACT-Government-Response-to-Counting-the-Cost-Report.PDF](https://www.parliament.act.gov.au/data/assets/pdf_file/0005/2185385/5_ACT-Government-Response-to-Counting-the-Cost-Report.PDF)

<sup>3</sup> Legislative Assembly for the Australian Capital Territory. 2009. Hansard. Page 782 Week 02

<sup>4</sup> ACT Government. 2009. Budget paper 3: Budget overview. Table 2.1.1.

[https://www.treasury.act.gov.au/data/assets/pdf\\_file/0006/1464882/04finpro.pdf](https://www.treasury.act.gov.au/data/assets/pdf_file/0006/1464882/04finpro.pdf)

<sup>5</sup> ACT Government. 2023. *ACT Government Response to the Counting the Costs: Sustainable funding for the ACT community service sector Report*. Calculated based on sum of multi-year funding amounts on page 8 and the short term project funding on page 9, and rounded up to the nearest million.

<sup>6</sup> ACT Government. 2022. *2022-23 Budget Outlook*. Table E1. [2022-23 Budget Outlook \(act.gov.au\)](https://www.act.gov.au/data/assets/pdf_file/0006/1464882/04finpro.pdf)

<sup>7</sup> Calculated using the Reserve Bank of Australia’s Inflation Calculator. Reserve Bank of Australia. 2024. Inflation Calculator. <https://www.rba.gov.au/calculator/annualDecimal.html>

<sup>8</sup> Australian Bureau of Statistics. 2024. 2101.0 National, state and territory population; Table 4. Estimated Resident Population, States and Territories (Number). Persons, Australian Capital Territory. [National, state and territory population, March 2024 | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/national-state-and-territory-population-march-2024) Calculated based on figures for December 2009 and December 2022.