



Achieving Real Value for Money in Community Services: An Engagement Program for Mutual Benefit

Summary

Catholic Social Services Australia (CSSA) and the UWA Centre for Public Value are seeking Community Sector Advisory Group (CSAG) input to progress a Program of Work under Blueprint Initiative 4, building on the 2025 *Real Costs, Real Impacts* research undertaken by CSSA and the UWA Centre for Public Value. The program aims to build on wider reform momentum to promote real value for money in understanding and practice, through building shared costing and pricing language, instructing on sustainable costing and pricing and socialising these practices.

CSAG's views are particularly welcome on the questions raised in Section 5, ahead of and during the presentation.

1. Purpose and Context

The document sets out how the Real Costs, Real Impacts research aligns with Initiative 4 of the Not-for-Profit Sector Development Blueprint (the Blueprint) and has been developed for the Department of Social Services' (the department) consideration ahead of and during the 22 September 2026 CSAG meeting.

Community services in Australia are funded through a Commonwealth grant framework that has inherited a cost minimisation approach, requiring that funding be treated as primarily a cost to be managed rather than as a public investment in service delivery capability. Over time, this can make it harder for providers to sustain the capability needed for high quality service delivery, a challenge government and the sector share an interest in addressing together. The Program of Work responds to this shared challenge, building an evidence base, language, understanding and practice so that government and the sector can move toward real value for money in community services funding with confidence and accountability.

The Program of Work aligns with the Blueprint's Initiative 4, which aims to improve the financial stability of the NFP sector. Namely, it is intended to align with Initiative 4(a), promoting the benefits of funding the full cost of sector activities, sustainable procurement, and pricing to governments, philanthropy, and the NFP sector; however does also speak to Initiative 4(c), establishing arms-length and representative cost data collection processes to inform indexation, full cost calculation models, and contracting needs. Significant alignment is found in the Community Sector Grants Engagement Framework, which commits Commonwealth agencies to administrative and cultural change so grants better serve the sustainability of community sector organisations.



Importantly, CSSA and UWA see the Program of Work as a practical, sector led means of giving effect to both these reform agendas, ensuring the comprehensive costs of service delivery are fully and commonly understood and reflected in funding policy, as well as administrative and implementation processes.

At the centre of the proposed work is mutual benefit. For government, the benefit is service delivery infrastructure that is more sustainable and cost effective, and grant practices better aligned with the outcomes government is seeking. For the sector, the benefit is funding that reflects the true cost of delivery, including indirect costs and capability investment, rather than treating cost minimisation as the primary objective. The Real Costs, Real Impacts report is the latest research to document the financial pressures and sustainability risks facing community sector organisations under the current funding approach, providing the evidence base for why a sustained and deliberate shift toward better understanding, practice and investment is needed.

CSSA and UWA see this Program of Work as the next step in CSAG and the department working together to progress the reform objectives under Initiative 4. The maturing of the relationship between sector and government is, in CSSA and UWA's view, a precondition for these outcomes, and needs to be actively cultivated and prioritised through relational knowledge exchange.

2. What Is Being Proposed: The Program of Work

Reframing the conversation

The program rests on three linked reframes, intended to move government and the sector from counterparties to solution partners.

- **Government and sector mutuality.** Recognising that both parties are, in fact, pursuing the same outcome, namely efficient, effective, and sustainable services and support for the community. Investment in these outcomes needs to be considered, accountable and transparent.
- **Real value for money, over cost minimisation.** Shifting the frame from unit-price efficiency toward effectiveness, sustainability, and outcome value, favouring evidence-based public investment in capability over cost containment.
- **Sustainable funding.** A shared, uniform vocabulary and method for costing and pricing that reflects the real cost of delivery.

Together, these give government and the sector a shared objective and language, so that where views differ, the disagreement is substantive rather than semantic. The framing is also intended to sit alongside the Commonwealth's own exploration of relational contracting, since it treats the communicative and relational dimension of the government/sector relationship as central to effective service delivery, not incidental to it.



The opportunity is to put real value for money and sustainable funding at the centre of Commonwealth grant practices in community services, assisting the sector and government to identify and agree the necessary practitioner knowledge and technical method together.

How the program is intended to work

Three principles are proposed to guide the program regardless of its final shape. Government and the sector are pursuing the same value-for-money outcome. The priority, timing, and sequencing of specific work items are to be identified and agreed jointly by government and the sector, not set unilaterally by CSSA and UWA. Materials are developed to build genuine mutual understanding of each party's constraints and frameworks, rather than to advocate in one direction.

Three linked strands of work

Consistent with the government's own Blueprint agenda, the program is organised around three strands. The detail of each, including what is produced, when, and in what order, is intended to be worked through with the department and CSAG in due course.

- **Research and resources.** A costing and pricing knowledge bank building on the extensive experience and tools of the UWA Centre for Public Value. This is expected to include a shared glossary of costing and pricing terminology, and further material on costing and pricing methodology, worked from the administrative streamlining wins and worked examples already identified in the Real Costs research, the sector and within government. The nomenclature and methods are intended to stay consistent across resources, so they remain interchangeable and mutually reinforcing.
- **Capability building.** A webinar series, delivered separately to Commonwealth officials and to the broader community sector, to instruct on and socialise the costing and pricing material in a way consistent with the government's Blueprint agenda. The Commonwealth-facing session is intended as a collaborative space to explore funding models of mutual interest, developed with the department input before delivery, and to allow participants to appreciate both the position of sector providers and government's own procedural and other constraints, including that some challenges will not be ones the Commonwealth is in a position to respond to immediately. The sector-facing session would introduce the same material in practical, accessible terms, test sector appetite for further coalition-building, and be recorded and made available online.
- **Coalition and engagement.** A coordinated communications effort, with CSAG proposed as a possible central mechanism, subject to CSAG's own view, bringing in other sector voices over time. Early engagement would focus on the low-hanging fruit already flagged in the Program of Work proposal, namely the uniform



glossary, harmonising this work with the Commonwealth Grants Rules and Principles 2024, and demonstrating how costing and pricing processes can underpin outcome measures that both government and the sector can cost and price.

Taken together, CSSA and UWA Centre for Public Value see the proposed work as connective tissue for improving community outcomes, the sustainability of the community sector, a shared language, common goals, and a coordinated voice that positions government and the sector as partners in high-quality, cost-effective service delivery, rather than as transactional parties.

Part of a wider push for reform

The Program of Work sits within a broader context of sustained advocacy and seeks to further these efforts through prolonged practical capability building and support for government and community sector organisations. ACOSS has long advocated that government funding cover the full cost of quality service delivery, including relevant overheads, wages, and program measurement and evaluation, and has pushed for longer, more stable contracting arrangements built on genuine partnership between government and the sector. In parallel, the broader Pay What It Takes movement, including the Pay What It Takes Coalition and Charity Consortium and related research by the Centre for Social Impact and Social Ventures Australia, has been building a similar case in philanthropy, arguing that funders should pay the real cost of the impact they are seeking, not just the direct program cost.

These efforts run through different channels but point in the same direction. CSSA and UWA see that convergence, across organisations working independently toward the same goal, as a further reason for government and the sector to build a better, more mature working relationship now, rather than treat this as a single organisation's advocacy position.

3. Delivery and Sequencing

While there is no fixed timeline at this stage, sequencing, scope, and pace are all matters that CSSA and UWA are keen to be agreed and adjusted with department and CSAG members as the program develops. The broad logic of sequencing is as follows.

- **First**, establish the shared language and evidence base (the glossary and costing and pricing material), since the webinars and engagement work both depend on having common terms and a common method to work from.
- **Then**, use that material as the basis for the webinar series, starting with Commonwealth officials, developed with department input, followed by a broader sector session, to instruct on and socialise the approach.



- **In parallel**, coalition and engagement activity, building on whatever appetite the webinars surface, and progressing the identified low-hanging fruit items through CSAG and other sector channels.

This sequence is a starting point for discussion, not a commitment. CSSA and UWA expect it to be tested and adjusted with the department and CSAG.

4. Where CSAG's Perspective Would Help

CSSA and UWA would welcome CSAG's views on the following, ahead of and during the 22 September 2026 meeting.

- Whether the proposed strands of work (the glossary and costing and pricing material, the webinar series, and coalition-building) reflect the right priorities for the sector, and in what order.
- Whether there are additional "low-hanging fruit" items CSAG would prioritise alongside the glossary, costing and pricing materials, and Commonwealth Grants Rules and Principles harmonisation opportunities.
- CSAG's preference on format and timing for the sector-facing webinar, and members or affiliated bodies who should be included in coalition-building.
- Whether CSAG sees a role for itself in championing this proposed work as a mechanism for supporting Blueprint Initiative 4 within the department.

CSSA and UWA look forward to CSAG's feedback and to working through this Program of Work together at the meeting.