



UWA Centre for
Public Value



THE UNIVERSITY OF
WESTERN
AUSTRALIA

Sustainability: Challenges and Advocacy Opportunities in
the Funding Environment for the Social Services Sector

CSAA Governance Forum 2024



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My Agenda...



Sustainability...

- What is sustainability and what is preventing it?
- What is happening across the sector?
- Financial Governance Priorities
- Advocacy opportunities...



The Problem...



- Historical Underfunding – the starvation cycle
- Historical Inappropriate Indexation Calculations
- No Policy Maker Knowledge of Comprehensive Cost (Amongst other things...)
- Limited commercial sector knowledge yet significant influence
- Massive Cost of Living Increase + Workforce Competition
- Focus on external reporting
- Lack of ambition for the sector



The Problem...



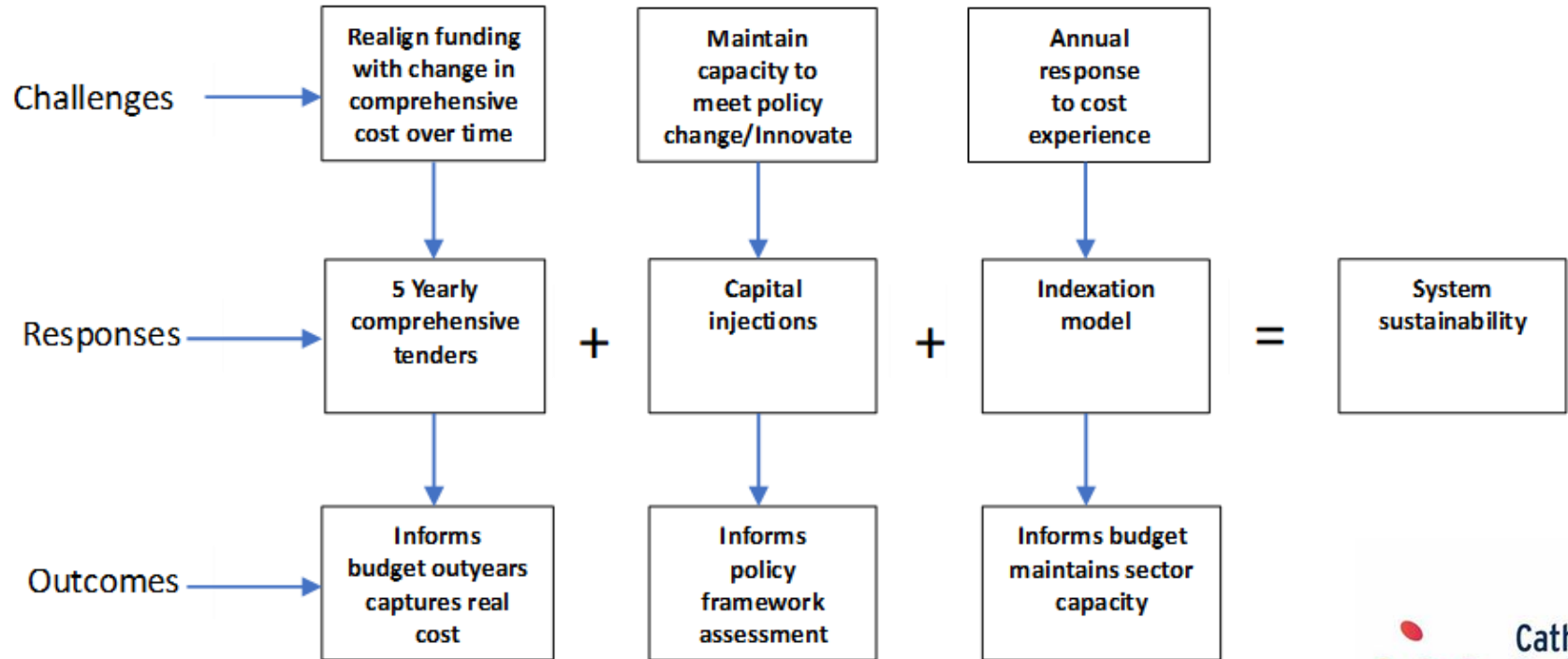
- **Sustainability Pressure...**
 - Quality
 - Quantity
 - Timing

Systemic View – Service Mix:

- Data
- Need aggregation
- Transparency in outcomes reporting



The Problem...



How do we calculate financial needs?

Accounting Concerns...



- Transaction Neutrality
- Complexity for smaller nonprofits
- Financial Literacy – External Reporting
- Financial Literacy – Internal Reporting
- Lack of government capacity
- Lack of appropriate use of the NSCOA
- Lack of appropriate use of AIS Opportunity





Trajectory of Financial Accounting Change

- Public Sector Financial Reporting Framework
- Private Sector Nonprofit Financial Reporting Framework
- Service Performance Reporting
- Audit Methods & Audit Quality
- What about financial literacy?
- What about assessing sector financial capacity?



Advocacy Opportunities



- The National Blueprint
- The Australian Accounting Standards Board
- IFR4NPO – International Nonprofit Accounting Standards
- ACNC National Standard Chart of Accounts



Advocacy Opportunities



Some Thoughts on Financial Governance Priorities - Organisationally



- Costing Effectively: Know Thyself
- Costing non-operational priorities
- Understand your permanent capacity
- Reserve Building – Short-, medium- & long-terms
- Advocate for Profitability – on-costs are critical elements in the operation of ANY organisation
- Invest in your board
- Utilise your finance and audit committee

Some Thoughts on Financial Governance Priorities - Systemically



- Need versus Demand
- Build data assets – Independence (ABS)
- Build and pay for outcomes measurement capacity
- Invest in government procurement and service understanding capacity
- Invert system – start with service users...
- Advocate to the Community – make this political!
- Transparent and Specific Goals
- Effective and Timely Transparency



Contacts

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