

Catholic Social Services Australia: Vulnerable Australians become the shock absorbers of a failing system.

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Financial pressures on not-for-profit social services have become untenable, with Australia's most vulnerable people bearing the brunt of chronic underfunding, according to a groundbreaking new report commissioned by Catholic Social Services Australia (CSSA).

The report, *Real Costs, Real Impacts: A Path to Social Services Sustainability*, produced by Professor David Gilchrist and Ben Perks from the University of Western Australia's Centre for Public Value, provides compelling evidence of the growing crisis in social services sustainability.

Dr Jerry Nockles, Executive Director of CSSA, said the report's findings must serve as a wake-up call for all political parties contesting the upcoming Federal Election.

"Our network of member organisations spans the length and breadth of Australia, working tirelessly to support individuals, strengthen families, and build resilient communities. However, the growing disparity between allocated resources and the actual costs of delivering quality services has reached breaking point," Dr Nockles said.

"The consequences of this funding shortfall aren't just numbers on a spreadsheet—they represent real lives, real struggles, and diminishing opportunities for transformation. Each statistic tells the story of an organisation forced to do more with less, while vulnerable Australians become the shock absorbers of a failing system."

Professor Gilchrist warns that the situation has become critical.

"Not-for-profit social services have been under severe pressure for too long. The comprehensive cost of service delivery is increasing significantly, while the lack of sustainability directly impacts the reliability of services to the most vulnerable people in Australia," Professor Gilchrist said.

The report highlights several concerning impacts of inadequate funding, including:

- The sector's inability to compete with wages and conditions in other industries, risking the loss of experienced staff
- Increasing burnout and stress among social services workers due to unsustainable workloads
- Service contraction or discontinuation in areas of critical need
- Flow-on negative fiscal effects for the Government as prospective clients are unable to participate in economic activity
- Increased demand on primary healthcare and acute care budgets as vulnerable Australians seek support through the health system

The national network of Catholic social services

Dr Nockles emphasised that in the context of the Federal Election, all parties must address these critical issues.

"The data and analysis presented in this report provide irrefutable evidence of the financial pressures faced by service providers and the dire consequences of continued underfunding. We're calling on all political parties to commit to implementing the report's recommendations as a matter of urgency," he said.

The report recommends Australian governments develop:

1. A comprehensive contracting process based on empirical evidence of cost and service requirements
2. An indexation process ensuring timely and full allocation of funding to cover increasing costs
3. A mature impact-based response to policy changes and economic and social shifts
4. A comprehensive data asset development process for transparency over service gaps

"Without urgent action, we face the very real prospect of critical services disappearing for those who need them most. The time has come for proper recognition and funding of the real cost of providing essential social services in Australia," Dr Nockles concluded.

The report was launched at the Catholic Social Services Australia National Conference on 19 March 2025 and is available here: <https://www.uwa.edu.au/schools/-/media/centre-for-public-value/resources/250315-real-costs-real-impacts-final.pdf>

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About Catholic Social Services Australia (CSSA)

[Catholic Social Services Australia](#) (CSSA) advocates for the Church's social service ministry. It is the national peak body for Catholic social service providers. The CSSA's network operates across all Australian States and Territories and has over seven hundred sites.

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