

Unit Costing Tool

Rationale for a Unit Costing Tool

The shift from input to output based funding agreements is a significant reform that will impact on all services funded by the Queensland Department of Communities.

For organisations to confidently and effectively negotiate their output based service agreements, they must understand the relationship between their organisation's service delivery capacity and the full cost of delivering programs.

This tool will support you to calculate what outputs your service is capable of delivering based on your current resources and it will give you an estimated full cost per unit of output. It will also calculate the proportion of those outputs that are funded by the Department of Communities and the proportion funded by your organisation.

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This is not simply a compliance tool. It is a strategic tool that your organisation can use to gain a better understanding of the full cost of service delivery and what can be delivered with existing resources.

All information entered into and produced by this tool remains the property of your organisation, and the decision to share it is yours. You may find it useful to compare your information with similar services to establish benchmarks and learn about how other organisations operate.

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What you will need to complete the tool

To complete this tool, you will need to have access to the following information:

- Your proposed output measure - a unit costing tool is available for 'hours' and 'places' outputs. Refer to the Department of Communities Output Catalogue for more information.
- Details of income received from the Department of Communities and any other significant funding sources (not including grants or fundraising income)
- Total income received from client contributions
- Any contracted client numbers and/or hours of service delivery or operation.
- Staffing numbers (FTE and actual)
- Salary and oncost expenses
- Current award schedule used by your organisation (*optional*)
- Other, non-payroll expenses for the period of one year (actual or budgeted)
- Details of any volunteer or in-kind contributions that contribute directly to delivering a program and can potentially be counted towards outputs

QCOSS would like to acknowledge the Endeavour Foundation, who have shared their unit costing methodology, which has been used to develop this tool.

To access the tools and more details instructions for their use, visit:

www.communitydoor.org.au/unit-costing-tool

