XX February 2019

Dear [Contract Manager],

**Re: Funding and Contracting - Sustainability of Services**

We are writing to seek your support in reassessing the level of funding provided to [your organisation’s name] for the [name of program].

As you would be aware, this program has been in place for [number of years], and given the extensions which have occurred, there has not been an appropriate opportunity to reassess the adequacy of the funding in conjunction with the required service levels and outcomes.

We are increasingly concerned with the impact of the ERO and the government’s indexation policy, on the sustainability of the services provided. Over recent years, we have endeavoured to minimise all costs associated with the program and to reduce overheads as much as possible. We are now at a stage where there is a high likelihood that any further cuts will negatively impact on service levels, on the quality of services and potentially increase risks. We have ensured that we continue to operate within the parameters of the contracted arrangements, and that staffing levels and competencies are commensurate with the complexity of the work undertaken.

Accordingly, our Board has asked us to discuss our concerns with you, to try and find a way forward for us to continue to provide sustainable services. Attached are worksheets detailing our historical financials for the program and forecasts for the balance of the term of the funding.

We are keen to meet with you and senior departmental executives, to discuss the sustainability of the services provided, and will contact your office next week to arrange a time to meet.

Yours sincerely,

CEO