Monitoring and evaluating social impacts in Australia

Catherine Maughan

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Contents

Executive summary

Monitoring and evaluation (M&E) allows people to learn from past experiences, improve service delivery, plan and allocate resources and demonstrate results as part of accountability to stakeholders. M&E also assists in keeping projects on track, providing a basis for reassessing priorities and creating an evidence base for current and future projects.

There is a growing interest in the measurement of social impact across the business, government and non-profit sectors. In recognising the role that non-profit organisations play in 'enhancing the economic, social, cultural and environmental wellbeing of society', the Australian Government has recently focused on improving the measurements of social impact.

This report describes the main monitoring and evaluating frameworks and methods used in Australia which include some assessment of social impact. Each of the following are discussed in terms of an overview of how it works (in terms of M&E), the benefits and limitations, examples of organisations using the technique and where to find further resources. The techniques included are:

1. Monitoring, Evaluation, Reporting and Improvement (MERI) framework: promotes learning and adaptive management in response to progressive M&E; in Australia, is used almost exclusively in NRM programs.
2. Program logic: graphically depicts the cause-and-effect relationships between program activities, outputs, intermediate outcomes and longer-term desired outcomes.
3. Theory of Change (TOC): uses backwards mapping, requiring planners to think in backward steps from the long-term goal to the intermediate and then early-term changes that would be required to cause the desired change.
4. Social Accounting and Auditing (SAA): involves measuring the impact organisations have on their environment in three ways – social, environmental and financial. SAA does not specify which measurement techniques to use, so has limited capacity for comparability and benchmarking.
5. Global Reporting Initiative (GRI): sets out the principles and indicators that organisations use to measure and report their economic, environmental and social performance, so can be used for benchmarking. GRI does not provide for accreditation or external evaluation unless combined with other tools.
6. Social Return on Investment (SROI): uses money as the common unit of analysis to measure the value of something, whether it be economic, socio-economic or purely social. SROI calculates cost savings (to governments) in the form of decreased public expenditure and increased revenues via the extra income tax from people who were previously unemployed and are now employed. The kernel of SROI analysis is the SROI ratio. The calculations are only as good as the assumptions made about the economic value of social impacts.
7. Most Significant Change (MSC): involves the collection of significant change stories from people engaged in programs, and the systematic selection of the most significant of these stories by selected panels. As MSC does not use pre-defined indicators, especially ones that are counted and measured, it is more suited to monitoring that focuses on learning rather than on financial accountability.

In 2010 the Australian Government, through the Productivity Commission, proposed a reporting framework to encourage the development of common measures and indicators at each level of contribution (inputs, activities, outputs, outcomes and impacts) for each of the following four categories:

- Service delivery
- Exerting influence and promoting change
- Connecting the community
- Enhancing the community endowment.

The Productivity Commission's proposed framework does not seek to describe the mechanisms by which inputs are converted to outputs, outputs to outcomes and outcomes to impacts. The Commission found that measurement techniques such as SAA and SROI are consistent with, and can report within, the proposed impact mapping framework. The Commission also stated that it does not have a preference for any technique because they all have their advantages and disadvantages.

Because each framework and method has its benefits and limitations, it is strategic for an organisation to first focus on clarifying the purpose of the monitoring and evaluation. A 7-step process that can aid in developing a monitoring and evaluation framework is to:

- Scope the M&E **framework**
- Clarify the **logic**
- Set the **measures** of success
- Develop a meaningful **monitoring** system
- Develop a strategic **evaluation** system
- Ensure effective **reporting**
- Incorporate reflection, learning and **improvement** strategies.

Introduction

Monitoring and evaluation (M&E) allows people to learn from past experiences, improve service delivery, plan and allocate resources and demonstrate results as part of accountability to stakeholders. Depending on the context, stakeholders can include everyone from end-users to government agencies. M&E program performance achieves this because it enables the improved management of the outputs and outcomes while encouraging the allocation of resources where it will have the greatest impact. M&E also assists in keeping projects on track, providing a basis for reassessing priorities and creating an evidence base for current and future projects (IFC 2008).

Although evaluation is distinguished from monitoring, they are in fact interdependent:

- **Monitoring:** Regular systematic collection and analysis of information to track the progress of program implementation against pre-set targets and objectives. *Did we deliver?*
- **Evaluation:** Objective assessment of an ongoing or recently completed project, program or policy, its design, implementation and results. *What has happened as a result?*
- **Impact assessment:** Assesses what has happened as a result of the intervention and what may have happened without it, from a future point in time. *Have we made a difference? Achieved our goal?*

(IFC 2008)

M&E for social impact

There is a growing interest in the measurement of social impact across the business, government and non-profit sectors. The rise and influence of the Corporate Responsibility (CR) movement has led to an interest in assessing the social impact of corporations. Zappala & Lyons (2009) assert, however, that most of the CR guidelines, standards and reporting frameworks focus on capturing companies' inputs. Consequently, many community initiatives reported emphasise the money spent or the time of employees volunteering on particular projects without discussing the outcomes or impact of a particular social initiative.

The Australian Government, in recognising the role that not-for-profit (NFP) organisations play in 'enhancing the economic, social, cultural and environmental wellbeing of society', requested that the Productivity Commission research 'the contributions of the not-for-profit sector with a focus on improving the measurement of its contributions' (Productivity Commission 2010 p. iv). The growing interest in measuring the contribution of NFP organisations over the past decade has been prompted by:

- Greater recognition on the sector's role in achieving social and economic objectives
- Increased recognition by NFPs of the benefits of evaluation and measurement in improving their organisational performance
- Demands by donors and governments for improved performance evaluation to enhance accountability and provide more information on the effectiveness of their funding
- Governments seeking greater understanding of the structure of the sector in order to assess the potential impact of changes in policy

(Productivity Commission 2010)

Some NFPs believe that measurement can improve public policy outcomes and that a set of agreed performance indicators (based on outcomes) would assist the government to make better decisions about resource allocation. In response, the Productivity Commission (2010) has proposed a measurement framework, and this is discussed in this report.

However, simply measuring outcomes is not the panacea, as service providers may focus on their own outcomes instead of outcomes for end-users of the service. For example, a review of 68 studies of primary health care models in mental health found that only 7% of the literature addressed consumer and patient health outcomes. The most common outcome measure was on the process and the satisfaction of service providers (Christensen et al. 2006 cited in Fisher & Rola-Rubzen 2011). As Fisher and Rola-Rubzen (2011) observed: 'for studies of service effectiveness to concentrate mainly on the perceptions of the people delivering them is negligent to say the least.'

Zappala and Lyons (2009) state that the current interest and enthusiasm for measuring social or program impact is not new, likening it to the social program evaluation that was popular from the mid-1970s through to the 1980s. However, they also implore us to keep in mind the reasons why the movement lost traction. According to Zappala and Lyons (2009) the reasons for the decline of the full measurement approach to social program evaluation were:

1. The difficulty of measuring the achievement of objectives which were set far into the future led evaluators to develop proxy measures, which were dependent on the quality of social research available and/or the subjective views of researchers; and
2. The uptake of evaluation made great demands on the time and resources of non-profit organisations. Various modifications made the model less numerically rigorous and more descriptive but this led to organisations generally undertaking monitoring and quality management rather than evaluation per se.

A recent study of evaluation practice among non-profit organisations in the US (Carman 2007 p. 8 cited in Zappala & Lyons 2009) found that 'although a minority of organisations are collecting outcome and results data, very few have internal evaluation staff, even fewer use external evaluators … and very few receive funding to undertake evaluations', suggesting that lack of resources is a major hurdle for implementing M&E systems.

Report structure

The purpose of this report is to present a review of the literature of selected frameworks and methods used in Australia to monitor and evaluate social impacts. When looking at the broad area of social impact measurement, it was necessary to distinguish between framework/approach/model and method/tool. The terms are often used as if they are interchangeable, which can make it confusing for the reader. Consequently, the language used in this report is consistent with the definition of framework as a way for an organisation to think about, design, plan, implement and embed performance management into a project, program or organisation as a whole (Zappala & Lyons 2009). Consequently MERI, Program Logic, Theory of Change and Social Accounting & Auditing (SAA) are classified as frameworks. A

method or tool, however, describes a particular method or indicator to use to assess social impact or performance. Consequently, Global Reporting Initiative (GRI), Social Return on Investment (SROI) and Most Significant Change (MSC) are described as methods in this report.

The report includes a discussion of each framework or method, including its benefits and limitations. Each discussion is followed by examples from organisations (mostly Australian) that are using the framework or method, and by a list of links to further resources. Case study summaries of examples from each framework and method are included in the Appendices.

The final section of the report describes an approach that the CRC for Remote Economic Participation could use to assist in determining which framework and/or methods to use in implementing a monitoring and evaluation strategy.

Monitoring, Evaluation, Reporting and Improvement (MERI)

Monitoring, evaluation, reporting and improvement (MERI) is an approach based on a continuous cycle of participation and communication rather than a single evaluation event. MERI promotes learning and adaptive management in response to progressive monitoring and evaluation, which enables improvement in program design and achievement of desired outcomes. The MERI framework is designed to make change transparent so that all parties can learn, through reflection and discussion, which interventions are most appropriate, effective and efficient. Its four components – monitoring, evaluation, reporting and improvement – support a 'learning by doing' approach to evaluation (Australian Government 2009).

MERI provides a framework for assessing program performance and the **state of change over time in assets** against planned immediate, intermediate and longer-term outcomes. It provides opportunities to improve program and project design and delivery and to **reorient investment** at key decision points throughout the life of the investment strategy or policy.

In Australia, the MERI framework has been adopted by the Federal and State governments as a mechanism for monitoring and evaluating Natural Resource Management (NRM) programs. The purpose of the MERI framework is to:

- Explain the overarching conceptual framework for evaluating NRM programs with an emphasis on learning, improvement and accountability
- Guide the development and implementation of program-level and investment-level evaluation plans.

Evaluation is an essential component of natural resource planning and management. It must be considered at every stage of investment and program planning and implementation. The purpose of the MERI framework is to reinforce, review and refine natural resource management and investment strategies and practices to ensure that adaptive management occurs as part of continuous improvement (Australian Government 2009).

In WA, the Department of Agriculture and Food established a State Monitoring and Evaluation Project in 2005 to improve the coordination of M&E activities in NRM programs and projects (Pengelly 2009). The final report of this project identified the lessons learnt over a five-year timeframe. The key lessons learnt from this project were:

- **Plan for M&E, integrate it into everyday activities and keep it simple:** leaving the planning of M&E too late in the project can lead to a lack of baseline data, a lack of rigour in planning and ultimately projects that have undefined outcomes and are poorly designed to meet these outcomes.
- **Building capacity in M&E is complex:** M&E requires adequate resourcing and time to build people's skills. It took considerable resourcing to support this through the provision of training and other developmental opportunities and to build their skills and experiences through networking and helpdesk support.
- **The evaluation schedule was integral in enabling state-level evaluation:** it was unclear who was responsible for the implementation of the evaluation findings and this adversely affected uptake of evaluation recommendations; not enough time and resources were allocated both during and after each evaluation to engage decision makers in the process and ensure implementation of findings.
- **Monitoring is important to collect standardised outputs for Treasury reporting:** Output reporting is good risk management for the State. The careful collection of data on products and services complements the collection of financial and outcomes data and helps to demonstrate progress towards NRM outcomes to Treasury.

(Pengelly 2009)

Organisations using MERI

MERI is used throughout Australia in agriculture and NRM programs. For example:

- The Victorian Government Departments of Primary Industries and Sustainability and Environment set up the Helping Dairy Farmers (HDF) project to build the capacity of farmers so they were equipped to make sound decisions in this changed environment. Using a modified MERI framework, this evaluation provided an assessment of the progress of the HDF project (Roberts Evaluation 2009).
- Natural Resource Management organisations are using the MERI framework for understanding program performance. The key components of the MERI framework are Program Logic, Monitoring, Evaluation, Reporting, Improvement and Adaptive Management (Roughley 2009); refer to Appendix 1. Case Study: Monitoring, Evaluation, Reporting, Improvement (MERI).

Resources

- NRM MERI Framework, available at www.nrm.gov.au/publications/frameworks/pubs/meri-framework-march09.pdf
- Caring for Country MERI strategy www.nrm.gov.au/publications/strategies/meri/
- MERI 2-day workshop for organisations working in agriculture and natural resource management www.dpi.nsw.gov.au/agriculture/profarm/courses/meri

Program Logic

Program logic (also called logic models or logic approach) is a type of outcomes framework that uses diagrams or matrices to set out the steps which occur in a program (or project, organisation, policy or sector) leading from low-level activities right up to high-level outcomes. The program logic approach has much in common with other methods that use figures or tables to show outcomes, including strategy maps, results chains, ends-means diagrams, program theories, theories of change and outcomes models (Duignan 2009). Program logic graphically depicts the cause-and-effect relationships between program activities, outputs, intermediate outcomes and longer-term desired outcomes as illustrated.

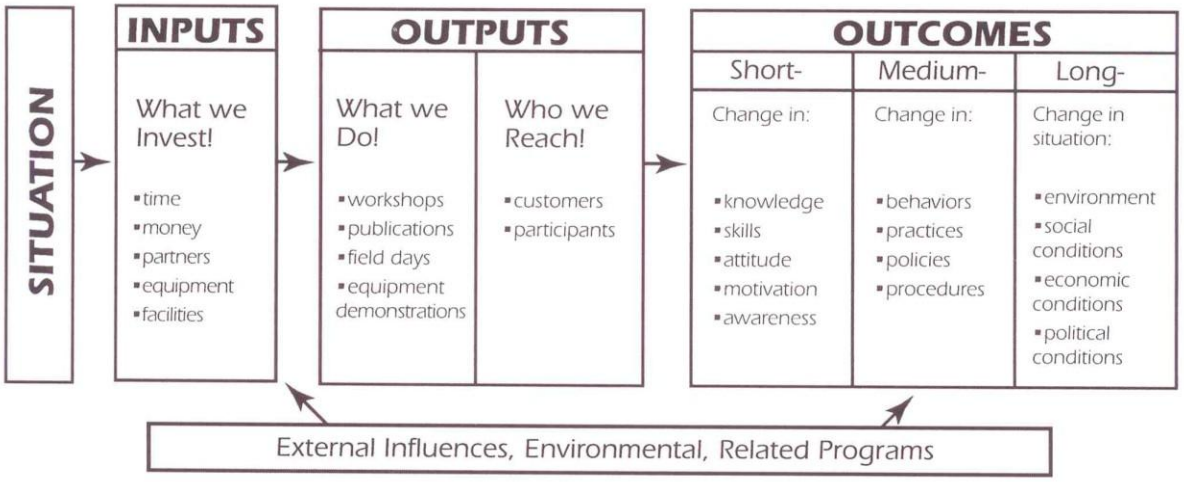

Figure 1: Elements of a basic logic model (McCawley n.d.)

Because program logic shows a **series of expected consequences**, not just a sequence of events, it facilitates planning, execution and evaluation of an intervention (Dart & Davies 2003 as cited in Roughley 2009). Program logic analyses the logical reasoning that connects program activities to the ultimate program goals. Specifically it assists the organisation to:

- Identify different **levels of effect** (output, impact, outcome) that are predicted to occur over time as a result of program activities
- Develop appropriate process and outcome **measures**
- Determine when and what to **evaluate** so that resources can be used effectively and efficiently
- Clarify how and why particular activities **make a difference** for stakeholders
- Understand which strategies have the **most impact**, and adapt in response to that information.

(Australian Government 2009, Victorian Government 2003)

If used correctly, program logic can provide a theory of change, that is, a description of how a series of activities can lead to a series of outcomes over a specific period of time (Zappala & Lyons 2009).

Once a program has been described in terms of program logic, critical measures of performance can be identified. Consequently, organisations may use program logic in combination with other frameworks and

models, including MERI and Most Significant Change (MSC). Based on program logic are design tools such as LogFrame and Results Based Accountability (RBA).

Logical Framework/LogFrame

The most well-known and used logic model is Logical Framework Analysis (or LogFrame), which was developed in the 1970s as a design tool for activities undertaken by international aid programs. It is a mandatory framework for organisations applying for government funding in several countries, including Australia (AusAID), Canada, New Zealand and the European Union (Zappala & Lyons 2009).

In addition to the basic logic model framework described above, it also establishes clear measures of indicators of success at each level (inputs, outputs, outcomes and achievement of goals) (Productivity Commission 2010). A key analytical tool is the log frame matrix, which sets out the indicators for measuring the hierarchy of objectives as demonstrated below.

Table B.3 **Log frame matrix**

Activity description	*Indicators*	*Means of verification*	*Assumptions*
Goal or impact — the long term impact (policy goal) of the activity	How the achievement will be measured — including appropriate targets (quantity, quality and time)	Sources of information on the goal indicator(s) — including who will collect it and how often	
Purpose or outcome — the medium term result(s) of the activity	How the achievement of the purpose will be measured — including appropriate targets (quantity, quality and time)	Sources of information on the purpose indicator(s) — including who will collect it and how often	Assumptions concerning the purpose to goal linkage
Component objectives or intermediate results — this level in the objectives or results hierarchy can be used to provide a clear link between outputs and outcomes (particularly for larger multi-component activities)	How the achievement of the component objectives will be measured — including appropriate targets (quantity, quality and time)	Sources of information on the component objectives indicator(s) — including who will collect it and how often	Assumptions concerning the component objective to output linkage
Outputs — the tangible products or services that the activity will deliver	How the achievement of the outputs will be measured — including appropriate targets (quantity, quality and time)	Sources of information on the output indicator(s) — including who will collect it and how often	Assumptions concerning the output to component objective linkage

Figure 2: Log frame matrix (Productivity Commission 2010)

Results-Based Accountability

Results-Based Accountability (RBA) is another method that uses program logic. It defines outcomes for specific activities and identifies indicators that can be used to measure success. Success is measured relative to a projected baseline, or the situation which would have occurred in the absence of the activity. RBA distinguishes between the performance of individual programs or activities (performance accountability) and the general effects on the community (population accountability) (Productivity Commission 2010).

In measuring performance, RBA avoids the use of input/output distinctions, which are regarded as less applicable for service delivery. Instead, RBA distinguishes between:

- Quantity indicators of effort (how much did we do?)
- Quality indicators of effort (how well did we do it?)
- Measures of effect (is anyone better off?).

RBA ranks quantity measure of effort as least important and measures of effect as most important. For example, for education a quality indicator may be teacher retention rate while a measure of effect would be the student graduation rate (Productivity Commission 2010).

Benefits

Some of the key advantages of logic models generally are that they:

1. encourage project staff to see their projects within the wider organisational context and mission
2. identify the rationale of an activity and force the organisation to think about the cause and effect relationships between activities and longer-term impacts
3. provide a summary of the project that can be used for communicating details of the project to stakeholders
4. embed evaluation into the program life cycle and facilitate evaluation as a task performed by all members of a project team or organisation

(Zappala & Lyons 2009, Productivity Commission 2010)

Limitations

Overall there are very few disadvantages of logic models, but limitations may include:

1. Causal logic is always an interpretation of how reality works, so logic models are only models of reality.
2. Logic models are premised on a linear mode of thinking when in reality most social issues and problems are dynamic, complex and networked.
3. Programs usually also have unintended consequences that may or may not be consistent with the outcomes specified.
4. When governments standardise performance reporting using RBA it can limit flexibility in not-for-profit choice of performance indicators.

(Zappala & Lyons 2009, Productivity Commission 2010)

Organisations using program logic models

Program logic models and diagrams have been tailored by organisations from different sectors in Australia such as the not-for-profit (Mission Australia, UnitingCare, Westpac Foundation and Smith Family), research (ACIAR) and government (NRMs) sectors.

Mission Australia used a program logic methodology to evaluate an Urban Renewal Employment Enterprise Program (UREEP). Refer to Appendix 2. Case Study: Program Logic for more information about the UREEP evaluation. Mission Australia also used a program logic model to evaluate a transitional labour market (TLM) program in Neighbourhood Renewal areas of Victoria (Mission Australia 2008).

The Australian Centre for International Agricultural Research (ACIAR) uses a program logic model as the framework for a set of guidelines used by all independent consultants commissioned to undertake impact assessment studies. Refer to Appendix 3. Program Logic Matrix: ACIAR Policy R&D for more information about the guidelines and the database used to record the results of impact assessment studies.

UnitingCare Burnside used a Results-Based Accountability program logic tool to evaluate the educational outcomes of children and young people in their foster care programs in Western Sydney. The results showed that while their programs showed improvements in quality indicators (such as student participation), resultant gains in graduation rates (measures of effects) were not greatly improved. This evaluation showed UnitingCare that it needed to rethink their strategies, develop new strategies and then monitor progress against the measures of effects (Productivity Commission 2010).

The Westpac Foundation requires organisations applying for Tier 1 funding to include a LogFrame analysis as part of their submission. The Foundation also runs a two-day workshop on LogFrame for all organisations it funds (Zappala & Lyons 2009).

The Australian Government is using a program logical model within the MERI Framework to evaluate the NRM projects it funds throughout Australia.

Working in developing countries, BasicNeeds utilises logical framework as a planning and analytical tool, enabling BasicNeeds and its partner organisations to methodically work through all aspects of a program's design. Using its Model for Mental Health and Development, BasicNeeds works to help mentally ill people start to earn a living after they have been given access to regular, community-based treatment. Their work is based on the philosophy of building inclusive communities, where mentally ill people – through development – realise their own rights (BasicNeeds 2008).

Resources

Because program logic has been used by many organisations since the 1970s there is a vast array of resources available to assist in implementing a program logic framework and drawing program logic diagrams. Some selected resources are:

- Development Guide with templates and checklists www.wkkf.org/knowledge-center/resources/2006/02/WK-Kellogg-Foundation-Logic-Model-Development- Guide.aspx
- Templates www.outcomesmodels.org
- Implementation guide for Results Based Accountability www.raguide.org

- Modelling software designed specifically for building professional outcomes models www.doview.com
- Clear Horizon www.clearhorizon.com.au/training-mentoring/training-program/ has 1-day courses in Program Logic in Australian capital cities.

Theory of Change

Theory of Change (TOC) is a description of a social change initiative that forms the basis for planning, on-going decision-making and evaluation. Like program logic, it is an outcomes framework that uses diagrams to set out the steps which occur in a program. The major difference is that TOC uses backwards mapping, requiring planners to think in backward steps from the long-term goal to the intermediate and then early-term changes that would be required to cause the desired change (ActKnowledge n.d.).

Theory of change graphically depicts cause-and-effect relationships and describes the interventions that bring about the outcomes shown in the pathway of a change map. Consequently, each outcome in the pathway of change is tied to an intervention, revealing the often complex web of activity needed to bring about change.

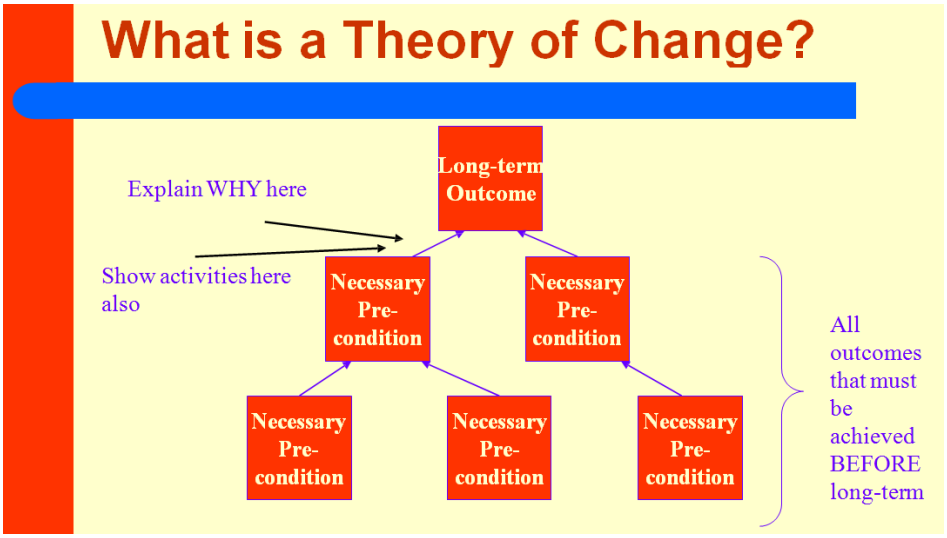

Figure 3: Theory of Change (Clark & Anderson 2004)

Benefits

Many of the benefits of program logic also apply to TOC. The main idea that distinguishes TOC from program logic is that TOC changes the way of thinking about initiatives. The question changes from 'what is the service provider doing (inputs and outputs)?' to 'what do we want to achieve for the end-users (long-term outcome)?' It also requires the articulation of underlying assumptions, which can be tested and measured (ActKnowledge n.d.).

Limitations

Complicated programs may have multiple parallel or complementary causal paths, that is, alternative ways of achieving outcomes (Rogers 2005). Consequently, diagrams can get very complicated, especially if one attempts to show all the causal pathways on the diagrams. The other limitation is that while the project's overall goals may be clear, the specific activities and causal paths may only become apparent during implementation (Rogers 2005).

Resources

Resources for TOC can be found at www.theoryofchange.org.

Social Accounting and Auditing (SAA)

Social Accounting and Auditing (SAA) is a framework that involves collecting information about the activities an organisation carries out which affect its stakeholders. These activities may be intended 'outputs' or just the day-to-day internal operations. The impact that organisations have on their environment can be measured in three ways: social, environmental and financial results (SAN 2009).

While financial reporting has been in use for hundreds of years, SAA enables this process to be carried out for social and environmental outputs as well. Social accounting has been developed with an external, quality-assured audit process so that an organisation's claims can be credible (proved) and used to demonstrate organisational development (improvement). Social accounting is of great interest to organisations achieving results that cannot be reduced to numbers but can be verified objectively (SAN 2009).

A diagrammatic representation of the SAA process can be viewed at www.socialauditnetwork.org.uk/images/PDF/accountsin1page.pdf

According to Holdaway (2005), the overarching principle of social accounting models is to achieve continual improvement in performance relative to the organisation's social impacts, chosen social objectives and stated values. Other principles include:

- Multi-perspective: to reflect the views of all those involved with, or affected by, the organisation
- Comprehensive: to report on all aspects of the organisation's issues, impacts and social performance
- Regular: to produce social accounts on a regular basis so that it becomes embedded in the culture of the organisation
- Comparative: so the organisation can compare its own performance year on year against appropriate external norms and benchmarks, and can provide for comparisons to be made between organisations doing similar work and reporting in a similar fashion
- Verified and assured: through the social accounts being audited by suitably experienced people with no vested interests in the organisation

- Disclosed: to stakeholders and the wider community in the interests of accountability and transparency.

(Holdaway 2005)

Benefits

SAA offer the following potential benefits:

1. It provides a method for a holistic and regular process of examining the social, environmental and economic performance and impact of an organisation.
2. It emphasises the importance of end-user involvement in the process. End-users can also request/read social accounts to know more about the organisation.
3. Flexibility allows organisations to go through the process in different ways, and report on the process differently, tailoring it to fit their needs and requirements.
4. The external validation process emphasises transparency, as results are independently verified.
5. It is based on financial reporting frameworks that are familiar to many organisations, including funders and investors.

(Productivity Commission 2010, Sanfilippo & Cooper 2009)

Limitations

The potential limitations of the SAA framework include:

1. It can be resource (time, money, staff) intensive to keep social accounts, write the social report and have it independently audited.
2. No guidance is provided on which measurement techniques should be used.
3. It is not explicitly recognised by funders and lenders.
4. Use of non-standard measurement techniques can limit comparability and benchmarking.

(Productivity Commission 2010, Sanfilippo & Cooper 2009, Zappala & Lyons 2009)

Organisations using SAA

SAA is currently being used in Australia by many organisations in different industry sectors including the following:

- Financial services: Westpac, Maleny Credit Union
- Government agencies: State Forests of New South Wales, New South Wales Government Department of Family and Community Services
- Non-profit: Mission Australia, Streetwize Communications, Bundaberg Skills Centre
- Resources: BP Australia, Newmont Australia
- Retail: The Body Shop
- Small business: Gavin Macleod's Concrete Pumping.

(Holdaway 2005)

However, as Zappala & Lyons (2009) point out, a number of the organisations listed above have gone through the social accounting process to produce draft social accounts but decided not to proceed with the final step of verification by an external social audit panel.

Mission Australia (MA) took part in a pilot program that used SAA to evaluate four of its sites: Café One on Wickham, Fortitude Valley; Project Circuit Breaker, Kedron; Mission Australia Employment Program, Gympie; and the Basic IT Enabling Skills program (BITES). Refer to Appendix 4. Case Study: Social Accounting and Auditing for more information about the pilot program.

Resources

Further information about SAA is available from www.socialauditnetwork.org.uk.

Global Reporting Initiative (GRI)

Global Reporting Initiative (GRI) is a network-based organisation that has pioneered a sustainability reporting method that sets out the principles and indicators that organisations can use to measure and report their economic, environmental, and social performance. GRI seeks to make sustainability reporting by all organisations as routine as, and comparable to, financial reporting. Reporting leads to improved sustainable development outcomes because it allows organisations to measure, track and improve their performance on specific issues (GRI 2007).

The Sustainability Reporting Guidelines are the cornerstone of GRI. These guidelines allow organisations to make meaningful, public, transparent disclosure on their sustainability performance. The Guidelines have been created through a multi-stakeholder, consensus- seeking approach with representatives from a broad cross-section of society – business, civil society, labour, accounting, investors, academics, governments, and others – from all around the world. Having multiple stakeholders ensures that multiple needs and all stakeholders are considered. GRI is reported to be the most widely used standardised sustainability reporting method in the world (GRI 2007).

GRI allows organisations to take a proactive role to collect, analyse, and report the steps they take to reduce potential business risk and manage their impacts. In addition, sustainability reporting promotes transparency and accountability, allowing stakeholders to track an organisation's performance on broad themes (e.g. social performance) or a particular issue (e.g. labour conditions in factories). Performance can be monitored from one year to the next, and it can be compared to other similar organisations.

The 2008 KPMG International Survey on Corporate Responsibility Reporting revealed that disclosure on corporate economic, environmental and social performance has become the norm among larger companies globally. It was reported that:

- More than 80% of Global Fortune 250 companies (G250) provide 'sustainability' or 'corporate responsibility' reports
- 70% of the reporting companies worldwide use the universally applicable reporting guidance from the Global Reporting Initiative
- The number of top Australian companies issuing a sustainability report has doubled to 68% since the 2005 survey.

(St James Ethics Centre n.d.).

Benefits

GRI offers the following potential benefits:

1. It is a holistic method addressing broad performance – social, environmental and economic.
2. It is used widely internationally as a generally accepted reporting method so can be used to compare results with similar organisations.
3. It can help measure and benchmark performance, both against own targets and externally.
4. Indicators can be used to encourage employees to understand and contribute to progressively better performance.
5. It is flexible and can be used in different sectors and geographical contexts.
6. It supports and integrates other tools such as SAA and the AA1000 Series.

(Sanfilippo & Cooper 2009)

Limitations

The potential limitations of the GRI framework include:

1. Adhering to the Guidelines can be labour intensive.
2. It provides guidance, but not accreditation or external evaluation unless combined with other tools, such as an assurance standard.
3. Its main focus is 'sustainability', e.g. reporting external impact but not necessarily focusing on positive outcomes or impacts.

(Sanfilippo & Cooper 2009)

Organisations using GRI

GRI is currently being used in Australia by many organisations in different industry sectors, including the following:

- Agribusiness: HiFert
- Education: University of Southern Queensland
- Financial services: ANZ, NAB, Westpac
- Food and beverages: Goodman Fielder
- Government agencies: FaHCSIA (Australian Government)

- Non-profit: CPA, Landcare Australia, Ruah Community Services
- Research: CSIRO
- Resources: BHP, Rio Tinto, Xstrata Coal
- Retail: Woolworths
- Telecommunications: Telstra, Optus.

(St James Ethics Centre, n.d.)

Ruah, a community services organisation in Perth, provides community mental health services, housing and homelessness services, and works with issues of domestic violence, addiction, employment, and family support. In 2008 Ruah prepared its Accountability and Sustainability Report in line with the GRI and the United Nations Global Compact (UNGC). Refer to Appendix 5. Case Study: Global Reporting Initiative for a case study of how Ruah used GRI.

Resources

The Guideline and reporting frameworks can be downloaded from the GRI website www.globalreporting.org.The GRI base in Australia is hosted by the St James Ethics Centre thehub.ethics.org.au.

Net Balance Training www.netbalance.com/gri_training.html offer a 2-day accredited course in GRI in Australian capital cities.

Social Return on Investment (SROI)

Social value is created when 'resources, inputs, processes or policies are combined to generate improvements in the lives of individuals or society as a whole' (Emerson et al. 2001 cited in Arli & Zappala 2009). Unlike economic value, social value is often difficult to quantify and does not have a common unit of analysis that enables it to be standardised and compared across an economy or society.

Social Return on Investment (SROI) is a method to understand how certain activities can generate value, and a way to estimate that value in monetary terms. Like Return on Investment (ROI) it is also a way to gauge the size or quantity of the value created compared to the initial investment. SROI was initially developed by Harvard Business School in 2000. Since then SROI has evolved through several iterations to the SROI Network model being promoted by the Office of the Third Sector in the UK (Zappala & Lyons 2009).

The key assumption of SROI analysis is that there is more to value creation than purely economic value. Social purpose enterprise value creation occurs simultaneously in three ways along a continuum, ranging from purely economic at one end, to socio-economic in the middle, and social value at the other end. SROI uses money as the common unit of analysis to measure the value, whether it be economic, socio-economic or purely social (Zappala & Lyons 2009).

The other key assumption of SROI is that social value generates cost savings for governments in the form of decreased public expenditure (such as health payments, welfare benefits, criminal justice) which in turn increases revenues to government via the extra income tax from people who were unemployed and are now employed.

The kernel of SROI analysis is to arrive at the SROI ratio, which is expressed as:

$$\text{SROI ratio} = \frac{\text{net present value of benefits}}{\text{net present value of inputs (investments)}}$$

A SROI ratio of 7:1 means that for every $1 of investment, $7 of social value is returned (Arli & Zappala 2009).

Benefits

SROI offer the following potential benefits:

1. The process is based on stakeholder engagement, which helps to assess the degree to which activities are meeting their needs and expectations.
2. It puts social impact into the language of 'return on investment', which is widely understood by investors, commissioners and lenders.
3. It may be helpful in showing potential customers (e.g. public bodies or other large purchasers) that they can develop new ways to define what they want from contracts, by taking account of social and environmental impacts.
4. It can be used in strategic management. The monetised indicators can help management analyse what might happen if they change their strategy, as well as allow them to evaluate the suitability of that strategy to generating social returns, or whether there may be better means of using their resources.
5. External verification and assurance is available through a number of bodies, including The SROI Network.
6. It facilitates the comparison of social value across organisations in broadly similar areas or with similar goals.

(Arli & Zappala 2009, Javits 2008, Sanfilippo & Cooper 2009, Zappala & Lyons 2009)

Limitations

The potential limitations of the SROI method include:

1. It is resource (time, money, staff) intensive, especially if there are not already good outcomes data collection systems in place.
2. It depends on the quality of assumptions in relation to outcomes generated, time taken to generate the outcomes and the assigned monetary value of those outcomes.

3. There is a danger of focusing narrowly on the ratio. The ratio is only meaningful within the wider narrative about the organisation, so comparisons between organisations based only on the ratio are not recommended.
4. As it is an outcome (rather than a process) evaluation, the dialogue with stakeholders yields some insight into what works and what does not and why, but there may be instances where a more specific process evaluation would be useful.

(Arli & Zappala 2009, Javits 2008, Sanfilippo & Cooper 2009, Zappala & Lyons 2009)

Organisations using SROI

While SROI is proving very popular in the UK, it is still a relatively new tool in Australia. However, Social Ventures Australia (SVA) have undertaken SROI analyses for organisations and recently started using the SROI Network model. SVA is a key proponent of the SROI Network Model and is advocating its wider use and application to measure social value in the Third Sector in Australia. To date, SROI has been used in Australia by Family Relationships Services Australia, Boystown, Indigenous Business Australia, Beacon Foundation, Fair Business, Vision Australia and GPT Group. For example:

- Indigenous Business Australia (IBA) – is using the SROI tool to measure the social and economic value of employment, training and dividends to its Aboriginal and Torres Strait Islander partners. It will also use a baseline indexing tool to capture indicators prior to the existence of a joint venture within a community. The SROI tool was being implemented in 2009/10 (IBA 2009).
- Beacon Foundation – used SROI to evaluate its 'whole of community' approach to addressing employment pathways and school-to-work transition for young people (SVA 2010). Refer to Appendix 6. Case Study: Social Return on Investment for more information about Beacon's evaluation.
- The GPT Group – one of Australia's largest diversified listed property groups used SROI to demonstrate the effectiveness of GPT's social investments (SVA 2010).

Resources

Information and guides for implementing SROI are available from www.thesroinetwork.org

The Guide to SROI from the Office of the Third Sector (UK) can be downloaded from www.neweconomics.org/publications/guide-social-return-investment.

The Social E-valuator is a web-based application (www.socialevaluator.eu) developed by two foundations and a social consulting firm in the Netherlands. At the beginning the goal was to measure the social impact of their own previous investments and of the coming ones. Among different methods, they decided to base the tool on the SROI methodology.

In Australia, SROI Network is being supported by Social Venture Australia www.socialventures.com.au and The Centre for Social Impact www.csi.edu.au. The Centre for Social Impact is a partnership between UNSW, University of Melbourne and Swinburne University of Technology. This partnership has resulted in a Graduate Certificate in Social Impact that focuses on building the professional capacity of social

managers and entrepreneurs of the future across the corporate, government and third sectors. http://csi.edu.au/graduate-certificate

Net Balance Training www.netbalance.com/training offer 2-day courses in SROI in Australian capital cities. The course is facilitated by SROI accredited practitioners and is a prerequisite towards gaining accreditation as an SROI practitioner.

Most Significant Change (MSC)

Most Significant Change (MSC) is a form of participatory evaluation in which program stakeholders are involved in both deciding what should be recorded and in analysing the data. MSC involves the collection of significant change stories from people engaged in programs or activities, and the systematic selection of the most significant of these stories by selected panels. MSC can occur throughout a program cycle and provides information to help people manage programs. MSC provides information about impact and outcomes that can be used to help assess the performance of a program as a whole. However, MSC does not use pre-defined indicators, especially not ones that are counted and measured (Dart & Davies 2009).

According to the developers Dart & Davies (2009), MSC is suited to monitoring that focuses on learning rather than just accountability. It is also an appropriate tool when organisations are interested in the effect of the intervention on people's lives and are keen to include the words of non-professionals. Essentially, the process involves the collection and selection of the most significant change stories emanating from the field. Stakeholders are initially involved by 'searching' for project impact. Once changes have been captured, various people have regular and often in-depth discussions about the value of these reported changes. When the technique is implemented successfully, whole teams of people begin to focus their attention on program impact (Davies & Dart 2005).

Benefits

According to the developers, MSC works well when programs are:

- complex and produce diverse and divergent outcomes
- large with numerous organisational layers
- focused on social change
- participatory in ethos
- designed with repeated contact between field staff and participants
- struggling with conventional monitoring systems.

(Davies & Dart 2005)

Limitations

MSC is not suitable for projects that require quantitative measurements, as it is a purely qualitative tool. It can, however, be used alongside quantitative methods such as SROI.

Organisations using MSC

MSC has been used both by non-government organisations (NGOs) and government agencies in Africa, Asia, Latin America, Europe and Australasia. The technique is applicable in many different sectors, including agriculture, education and health, and especially in development programs. It is also applicable to many different cultural contexts. In Australia, MSC has been used successfully to evaluate projects and programs, especially those that aim to evaluate the impact of learning on changing attitudes and behaviours.

- WWF-Australia – used the MSC method to evaluate the social impacts of a woodlands conservation project in the WA Wheatbelt region from 2000–2005 (WWF-Australia 2005). One of the aims of the project was to change the behaviour of famers towards valuing their woodlands as an asset. Refer to Appendix 7. Case Study: Most Significant Change for more information about WWF-Australia's evaluation.
- Victorian Department of Primary Industries – used the MSC method to evaluate LandLearn, an education program aimed at assisting teachers to integrate sustainable agriculture and natural resource management into the curriculum. Using the MSC approach to M&E resulted in the creation of stronger partnerships with many of these key clients and some ownership of the future directions of LandLearn. The process and the stories themselves renewed the teachers' enthusiasm, inspiring a sense of worth that what they do makes a difference. Working through the process ensured ownership of the process to the point where staff are now enthusiastic about evaluation because they understand it will be used to improve LandLearn (Fehring et al. 2006).
- Stronger Smarter Institute – MSC was used as part of an evaluation of the Stronger Smarter Realities Program (SSR). This SSR project was about creating systematic and transferable change by arming Australian educators with the belief, skills and capacity to make profound changes to the learning outcomes of Aboriginal and Torres Strait Islander children. The evaluation used the Collaborative Outcomes Reporting Technique, which is a mixed-method approach involving key stakeholders in a number of process steps. The theory of change created a 'normative model' for how program staff viewed the program and this was used as the organising construct for the evaluation. Vignettes were analysed using the MSC approach and the reasons for their selection were documented. The focus on quality was largely associated with process quality – ethical conduct, culturally appropriate methods, ownership of the evaluation process – ensuring that the evaluation provided credible and useful recommendations to inform the next phase of the program (Dart & SSI 2010).
- National Disability Services – used MSC to evaluate its staff attraction and retention strategies (NDS n.d.).
- DEEWR – used the MSC technique at the National Reframing the Future forums to facilitate learning about how VET training providers worked effectively with enterprises (Mitchell & McKenna 2008).

Resources

MSC publications are available from www.clearhorizon.com.au/category/publication/msc-publications/.

Clear Horizon www.clearhorizon.com.au/training-mentoring/training-program/ hold 1- or 2-day courses in the MSC technique.

Implementing a Monitoring and Evaluation Framework or Method

The Productivity Commission (2010) has proposed a reporting framework to encourage the development of common measures and indicators at each level of contribution (inputs, activities, outputs, outcomes and impacts) for each of the following four categories:

- Service delivery
- Exerting influence and promoting change
- Connecting the community
- Enhancing the community endowment.

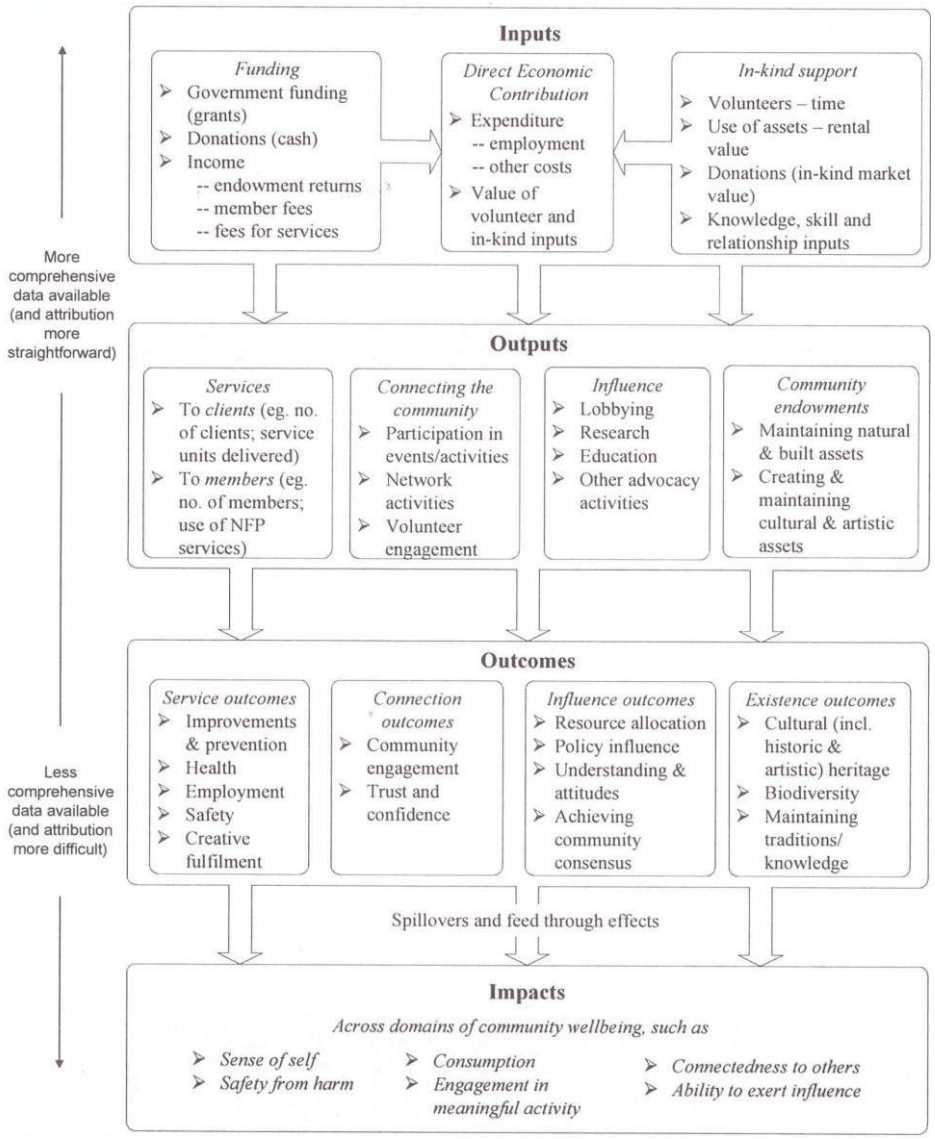

Figure 4: Measurement framework and types of indicators (Productivity Commission 2010)

The Productivity Commission (2010) believes the proposed measurement framework supports evaluation, although it does note that it is a reporting framework rather than a diagnostic one. That is, the framework

does not seek to describe the mechanisms by which inputs are converted to outputs, outputs to outcomes and outcomes to impacts. The Commission found that a number of measurement techniques have been used in the NFP sector in Australia and that all are consistent with, and can report within, the proposed impact mapping framework. The Commission also stated that it does not have a preference for any technique because they all have their advantages and disadvantages. Existing approaches to measurement cited in the Productivity Commission's research report included:

- Cost-benefit analysis
- Logical framework (LogFrame)
- Results-based accountability (RBA)
- Social accounting and audit (SAA)
- Social return on investment (SROI)
- Stated preference – such as Stakeholder Value Management Analysis.

Consequently, in determining which technique to utilise, organisations need a process which allows them to first clarify the purpose of the monitoring and evaluation. Once the purpose is clarified, it is much easier to decide on the most appropriate framework or model. Clear Horizon (2008) believes they have developed and successfully used a seven-step process to developing a monitoring and evaluation framework:

Step 1. Scope the monitoring and evaluation **framework** – develop a written strategy outlining what information is needed and by whom.

Step 2. Clarify the **logic** – the rationale behind a program/project or strategy: what are understood to be the cause-and-effect relationships between activities, outputs, intermediate outcomes and ultimate outcomes?

Step 3. Set **measures** of success – these will be described in different ways (objectives, performance indicators, targets, outputs and milestones) depending on the organisational frameworks in place. In some fields, specific, measurable, achievable, relevant/realistic and time-bound (SMART) targets are used to express an understanding of what success would look like.

Step 4. Develop a meaningful **monitoring** system that helps project/program teams see if they are on track in terms of delivery, collects data to do routine reports to others (e.g. quarterly reports) and monitors the state of the environment or social indices.

Step 5. Develop a strategic **evaluation** system that suits the object being evaluated and the purpose of the evaluation. Distinguish between *formative* and *summative* evaluation: formative evaluations strengthen or improve the object being evaluated while summative evaluations examine the effects or outcomes of some object.

Step 6. Ensure effective **reporting** – determine the type and frequency of report that is required and will be useful. Types of reports include full written reports, oral presentations, summaries and report cards.

Step 7. Incorporate reflection, learning and **improvement** strategies – describe what needs to be done to maximise the chances of the evaluation data being used. Part of the strategy for maximising utilisation should include consideration of how lessons are incorporated into organisational and individual practices.

Monitoring and Evaluation Strategies for CRC-REP

The research outputs of the Cooperative Research Centre for Remote Economic Participation (CRC-REP) are designed to transform peoples' lives by driving policy and service delivery innovation, business development and employment. Using the Productivity Commission's proposed measurement framework, indicators for outputs and outcomes can be described as:

Service delivery – outputs include major users of the research, for example, the number of Aboriginal and Torres Strait Islander communities, mining companies and government agencies that use the research findings. Outcomes would include improvements in employment through new job creation.

Connecting the community – outputs include participation in events/activities, for example, demonstration on research properties and at field days. Outcomes would include community engagement with government agencies and mining companies.

Exerting influence and promoting change – outputs include the models and case studies that are produced. Outcomes would include how the research is used to influence policy in social, education and training interventions.

Enhancing the community endowments – outputs include the number of Aboriginal and Torres Strait Islander people trained as paid field researchers. Outcomes include biodiversity and maintaining Aboriginal and Torres Strait Islander knowledges.

Finally, the impacts are interwoven across all domains of community wellbeing, such as high self-esteem, purpose and social cohesion, safety from harm (e.g. crime, domestic violence), social and emotional wellbeing (SEWB) and ability to exert influence.

The Productivity Commission (2010) found that while impact was the most important level in terms of contribution, it was also the most difficult to measure with confidence because:

- understanding the underlying causal relationship between inputs, outputs, outcome and ultimate impacts requires evaluating and testing complex behavioural models
- data is often partial in nature or difficult to obtain
- some activities pose specific measurement challenges (e.g. the spiritual value of connection to land for Aboriginal and Torres Strait Islander people and impact on wellbeing).

However, attributing impact will be made easier as a result of CRC-REP's research project The interplay between health, wellbeing, education and employment in remote Australia. As an integrated part of the CRC-REP as a whole, this project will examine the impact of enterprise, employment and education initiatives taken by other projects in the CRC on health and wellbeing of participant individuals, families

and communities. For example, where a community is developing a pastoral or horticultural project, this research project will monitor the effects of that initiative on health and wellbeing of residents involved in the work.

This project also has the potential to refine and improve the assigned monetary value of social outcomes as used in calculating the Social Return on Investment (SROI). Most of the current assumptions are based on figures quoted in the USA and the UK. The benefit of being able to use figures based on Australian data is significant, both internally within CRC-REP and externally by other service providers, especially those delivering to Aboriginal and Torres Strait Islander clients in remote areas.

The nature and purpose of the research suggests that a combination of frameworks and tools would provide CRC-REP with a comprehensive monitoring and evaluation strategy. The benefits of each framework and tools include:

- As a long-term research project it is imperative that monitoring and evaluation is undertaken regularly throughout the project. Most of the frameworks discussed allow this to happen with MERI being the strongest in this area.
- As some stakeholders will have limited English literacy, the diagrammatic approach of the logical model would allow everyone to be on an equal footing in terms of understanding the project.
- Financial measurements of impacts (e.g. 2118 new jobs for Aboriginal and Torres Strait Islander people generating $177m per year in salaries, reduced welfare payments of $26m per year, and reduced fly in/fly out costs by $12m per year) requires a method that uses a common analysis of value creation. SROI is the only tool that allows this with money being the common analysis.
- Understanding how the uptake of research is used and embedded by end-users requires a qualitative method. Because the focus for this impact is understanding the effect of the intervention on people's lives, the MSC approach would be appropriate.

Finally all methods require a significant level of resource allocation in terms of human, financial and in some cases physical resources. Because the CRC-REP is complex, in terms of the number of people and organisations involved in the research, it is necessary for someone to be responsible for ensuring that monitoring, evaluation, reporting and improvement occurs across all research projects in a regular and comparable manner. Regardless of which method is implemented, an on-going M&E strategy means that people will need to be trained in how to use the method effectively. The training for some methods is much more strenuous than for others, for example, GRI, for which practitioners are required to have undertaken accredited training.

Conclusion

Monitoring and evaluation (M&E) is an important part of any program and project. There are many frameworks and models available for organisations to choose from in determining which technique to utilise, organisations need a process that allows them to first clarify the purpose of monitoring and evaluation. Once the purpose is clarified, it is much easier to decide on the most appropriate framework and/or model. The general purposes of M&E systems are to:

- aid in planning and allocating resources
- help keep projects on track during the life of the program/project
- improve service delivery by focusing on outcomes and impacts
- be able to demonstrate results that are meaningful and important to stakeholders
- provide a basis for reassessing priorities
- create an evidence base for current and future projects.

The Productivity Commission (2010) has proposed a reporting framework to encourage the development of common measures and indicators at each level of contribution (inputs, activities, outputs, outcomes and impacts) for each of the following four categories:

- Service delivery
- Exerting influence and promoting change
- Connecting the community
- Enhancing the community endowment.

Undoubtedly, impacts are both the most important level in terms of contribution and also the most difficult to measure with confidence. However, the CRC-REP research project The interplay between health, wellbeing, education and employment in remote Australia has the potential to measure (preferably using a monetary value) social impacts. Using baseline data and a longitudinal study, this project will examine the impact of enterprise, employment and education initiatives taken by other projects in the CRC on health and wellbeing of participant individuals, families and communities. The data provided by this project would assist in determining the financial value of social impact which could be used widely both internally and externally.

Finally, monitoring and evaluation, like other aspects of project/program management requires resources: financial, human and sometimes physical (such as computer programs). Regardless of which framework or model is implemented, resources need to be built into the project and program budget.

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Appendix 1. Case Study: Monitoring, Evaluation, Reporting, Improvement (MERI)

The Wheatbelt NRM in WA has an Aboriginal NRM program that incorporates Aboriginal traditional cultural knowledge into natural resource management through recording traditional ecological knowledge, a network of Indigenous Advisory Groups and specific site management activities. It is part of the overarching Caring for Our Country MERI Strategy, which is underpinned by program logic.

The MERI Plan provides a framework to continually improve program activities; to increase impact, appropriateness, effectiveness and efficiency of program outcomes; and to demonstrate the contribution of the program towards Caring for Our Country outcomes. The MERI Plan identifies indicators, methodology, timeframe, responsibility and cost for each part of the MERI cycle. For example:

Monitoring (10 measures in total, e.g. Measure 3: Use of traditional ecological knowledge)

- Measure – number of projects (includes use and recording of traditional knowledge)
- Method of collection – interim progress (immediate outcomes) reporting
- Frequency of collection – biannual June and November 2009–2011
- Responsibility – Indigenous NRM Coordinator, M&E Coordinator
- Cost – $1,000

Evaluation (8 key evaluation questions)

- KEQ3 – in what ways and to what extent has the NRM program assisted local communities t\o access knowledge and skills in NRM?
- Methodology – analysis and review of changes in immediate measures
- Timeframe – annual July 2010–2011
- Responsibility – Indigenous NRM Coordinator, M&E Coordinator
- Cost – $1,000

Reporting (five different reports)

- Report – Project Status Report
- Information Sources – Indigenous NRM Coordinator, Nyungar Budjar Carer Rangers
- Timeframe – Quarterly Mar, Jun, Sep, Dec 2009–2013
- Responsibility – Indigenous NRM Coordinator, M&E Coordinator
- Cost – $4,000

Improvement (3 activities)

- Activity – Activity 1 Annual review
- Methodology – outcomes and lessons captured in Results Chart
- Timeframe – annual July 2010–2013
- Responsibility – Indigenous NRM Coordinator, M&E Coordinator
- Cost – $8,000

The feedback cycle is facilitated through the annual review and management response process. Any improvements identified will be reflected through revisions to the Program Management Plan and associated work breakdown structures, the MERI Plan and the Community Engagement and Communications Plan. The WNRM program management methodology underpins the MERI process to ensure the timely and effective communication of adaptations to project staff to ensure delivery of project adaptations and inform staff of program delivery status.

Source:

Wheatbelt NRM. 2008. *Caring for our country monitoring, evaluation, reporting and improvement (MERI) plan Aboriginal natural resource management in the Avon River basin*. Wheatbelt NRM. Northam.

Appendix 2. Case Study: Program Logic

Mission Australia's Urban Renewal Employment Enterprise Program (UREEP) was evaluated based on a program logic methodology, and sought to identify both the impact of the program and the processes through which positive outcomes occurred.

Established in 2006, UREEP seeks to respond to the needs of highly disadvantaged residents of Neighbourhood Renewal areas in Victoria who experience systemic unemployment. According to Mission Australia, the UREEP model is unique. Through working on commercial trades-based jobs in small crews under the oversight of a qualified trade supervisor, UREEP trainees develop their life and social skills, establish a new supportive peer group and they can gain qualifications in these trades.

The objectives of the UREEP evaluation led by Dr Jo Barraket, Centre for Public Policy, University of Melbourne, were to:

- assess the progress of the program against its original objectives, with a focus on both hard and soft outcomes for participants and the areas the program serves
- benchmark the impacts of the program against other labour market programs for similar client groups
- assess the effectiveness of UREEP in administering the program
- assess the level and quality of Mission Australia's support for the program
- identify impacts and outcomes for partner organisations
- identify issues for future program design and implementation.

The evaluation was based on 23 interviews with program staff, participants, partner organisations, local employers, program documents, and local and international research literature reviewing similar programs against which UREEP's progress was benchmarked.

The employment outcome was compared to international benchmarks (derived from the UK) as well as comparable Transitional Labour Market (TLM) programs in Victoria. It was noted in the evaluation that future benefits of the program such as reduced demand on government and non-government services, the increased tax base as a result of more people in employment, and the community regeneration and potential intergenerational effects of TLM services were not measured. As noted in the evaluation, this would require detailed financial modelling based on quantification of a range of direct and indirect costs and benefits of the program. The evaluation did, however, refer to The Brotherhood of St Laurence's cost/benefit analysis of a similar TLM program that showed a return of $14 for every $1 invested.

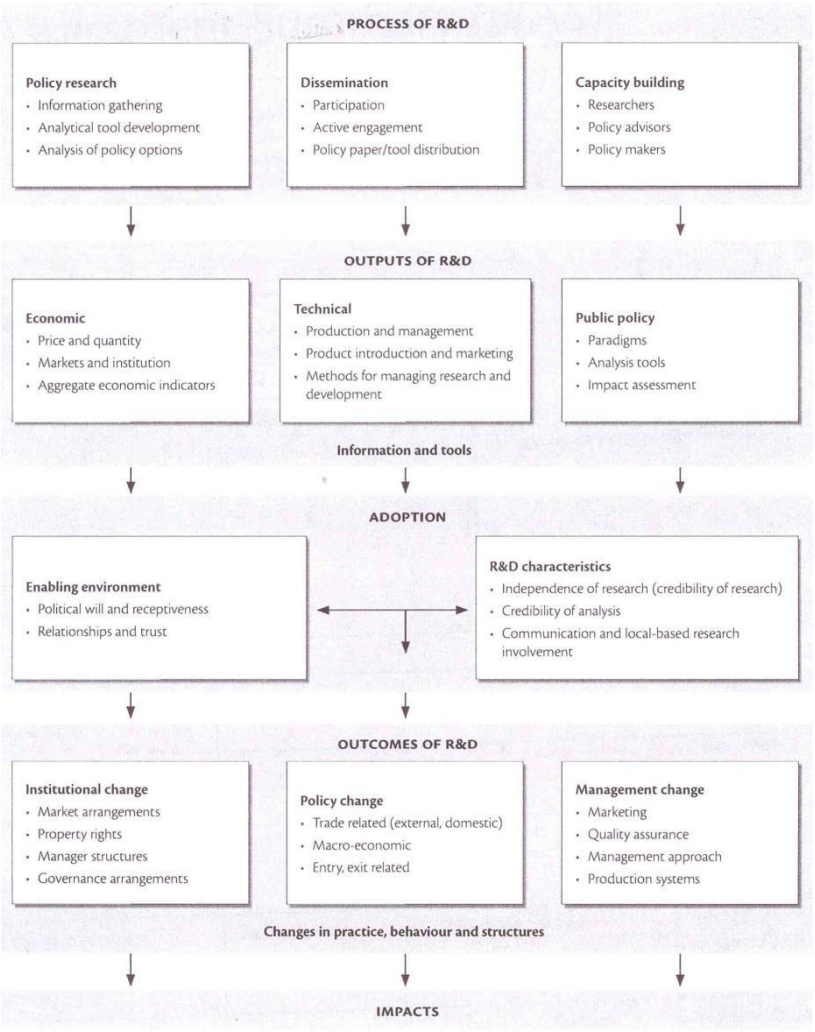
Source:

Mission Australia (2008). Working for renewal. An evaluation of Mission Australia's UREEP: a social enterprise and transitional labour market program. Retrieved May 2010 from www.missionaustralia.com.au/downloads/social-policy-reports/196- working-for-renewal.

Appendix 3. Program Logic Matrix: ACIAR Policy R&D

The Australian Centre for International Agricultural Research (ACIAR) uses a program logic model as the framework for a set of guidelines to be used by all independent consultants commissioned to undertake impact assessment studies. The aim of the guidelines is to ensure consistency in the methodological approaches used, the treatment of information collected and in the presentation of results. ACIAR also developed a database to systematically record the results of all impact assessment and adoption studies, which complements the guidelines.

ACIAR noted that there are usually many different influences on policy choice, of which research is only one. Consequently, ACIAR has developed a specific project logic diagram to illustrate the pathways to impacts from policy R&D.



Source:

Davis, J., Gordon, J., Pearce, D. & Templeton, D. (2008). *Guidelines for assessing the impacts of ACIAR's research activities.* ACIAR Impact Assessment Series Report No. 58. Canberra: ACIAR. Retrieved June 2010 from http://aciar.gov.au/publication/IAS58.

Appendix 4. Case Study: Social Accounting and Auditing

Mission Australia (MA) took part in a pilot program that used SAA to evaluate four of its sites: Café One on Wickham, Fortitude Valley; Project Circuit Breaker, Kedron; Mission Australia Employment Program, Gympie and the Basic IT Enabling Skills program (BITES). A variety of services are therefore represented, all of which are very busy with day-to-day operations and which vary in the resources available to them.

A number of different social and environmental accounting models are available. The model chosen for this pilot program is known as The Scottish Model. It is compatible with Accountability's AA1000 standard for social accounting and reporting. The model consists of five stages: Introducing Social Accounts; The Foundations; The nuts and bolts – Social Book- Keeping; Preparing and Using the Social Accounts; and the Social Audit. This can be broken down into three steps: Social and Environmental Planning; Social and Environmental Accounting; and Social and Environmental Reporting and Audit.

While careful consideration was given to the advantages of adopting a range of consultation methods, and a focus group was undertaken, project team members preferred to primarily employ a 'questionnaire' strategy as the method of obtaining feedback on this occasion.

Following the social accounting training workshops that staff participated in from all pilot sites, the objectives, activities, indicators, and methods of data collection were finalised to make up the Social Accounting Plans. Objectives were created to reflect all of the eight Mission Australia values, and then relevant, measurable, realistically achievable activities were linked to them. A spread of qualitative and quantitative methods of data collection was identified and systems were developed by MA Project Circuit Breaker staff to capture this information. Due to the depth of the Social Accounting Plan these systems were introduced incrementally.

The significance and importance of living up to the espoused corporate values became increasingly clear as the project progressed, as did the need for feedback from all stakeholders.

The benefits of the social audit process were that information collected:

- provided an overall snapshot of how effectively the service was functioning and identified areas that required improvement
- provided possible future funding bodies with insight as to the overall operations within the service and the organisation at large
- demonstrated the commitment Mission Australia has to working in line with the values, vision and mission statement espoused.

In addition, the social audit processes encouraged staff members to be accountable and transparent in their work practices with colleagues and clients within the parameters of the objectives and activities identified.

Some of the weaknesses of the social audit process were that:

- The time frame for the initial implementation of book keeping systems and processes required was insufficient.

- Members of the stakeholder group expressed the time frame was too short for all members to respond.
- Inconsistent information relating to content and format created difficulties when writing the social audit report.
- Limited resources prevented other staff members becoming involved in the development and implementation of the social audit processes.
- Balancing the competing demands of the social audit processes with the ongoing operational demands was extremely difficult and fatiguing.

Overall, Mission Australia was happy with the social audit process and recommended that the social accounting processes be continued within the service and that audits be undertaken every two years. This will enable the service to provide rich quantitative and qualitative data for that period of time as well as effectively address all issues identified. As a result, MA Project Circuit Breaker's approach to the social audit process will continue to be refined.

Source:

Mission Australia (2005). *Project circuit breaker. Social accounts.* Brisbane: Mission Australia. Retrieved May 2010 from www.missionpromotion.com/sustainability/project-circuit-breaker-social.pdf.

Appendix 5. Case Study: Global Reporting Initiative

Ruah Community Services prepared its 2008 Accountability and Sustainability Report in line with the Global Reporting Initiative (GRI) and the United Nations Global Compact (UNGC). The focus areas that are covered by the GRI and the UNGC include an organisational profile, governance, economic sustainability, environmental sustainability, labour practices, human rights, societal issues, product responsibility, and anti-corruption practices.

Ruah is a community services organisation that operates across the metropolitan area of Perth, providing community mental health services, housing and homelessness services, and works with issues of domestic violence, addiction, employment and family support.

Within each area that Ruah reports on it discusses four aspects. For example, in the area of environmental sustainability the Report states (in part) the following:

1. Ruah approach – committed to becoming a more environmentally sustainable company
2. What we do now – travel arrangements of staff and visitors are being assessed via participation in the TravelSmart Workplace program
3. Accountability indicators – the vehicle fleet travelled 1.8m kilometres in 2007/08 at an average of 25,700 kilometres/vehicle
4. What we plan to do – develop an indicator for energy use per staff person in 2009.

The Accountability and Sustainability Report also includes an audited financial performance summary.

Source:

Ruah Community Services. 2009. *2008 accountability and sustainability report*. West Perth: Daughters of Charity Services (WA). Retrieved June 2010 from http://content.ruah.com.au/cms/000484.pdf.

Appendix 6. Case Study: Social Return on Investment

Social Return on Investment (SROI) was used to evaluate the Beacon Foundation's No Dole program. Beacon Foundation is a non-profit organisation that used a 'whole of community' approach to addressing employment pathways and school-to-work transition for young people. Through a range of school-based programs, Beacon seeks to increase the opportunity for students to realise their full potential.

Starting with one low SES school in Launceston with its flagship No Dole program, in Tasmania in 1988, Beacon began to address the consequences of a community deprived of a skilled workforce and suffering the broader social issues associated with a disenfranchised, welfare dependent segment within its midst. Beacon now operates in 118 schools (mostly in low SES communities with high numbers of Aboriginal and Torres Strait Islander students) across all Australian states and territories and the program continues to have tremendous success. While direct outcomes, such as school retention rates are measured, Beacon also used SROI to put a value on impacts such as increased tax income and avoided social costs.

The analysis identified the following outcomes and impacts:

- Increased employability of students (unemployment rate of 15–19 year olds not in full-time education was 12%, compared with 22% for all 15–19 year olds not in full-time education)
- Decreased school drop outs (95% of students continued from Year 10 to Year 11, compared with 88% for all Australians)
- Increased tax income
- Avoided social costs
- Improved networks with local community and businesses.

Social Venture Australia (SVA), the organisation that conducted the evaluation, found that the Beacon program delivers an SROI of 11:1; that is, for every $1 invested, approximately $11 of social value is created.

The value of using SROI is enunciated by Bill Lawson, Chair Beacon Foundation:

> Taking the SROI report to meetings gives us a lot of traction. Whether we are talking to funders, stakeholders, politicians or partners, the hard numbers give us credibility beyond the qualitative stories of success. SROI is a means by which these benefits can be moved from the anecdotal, however inspiring, to the factual – the language of decision makers.

Source:

SVA (Social Ventures Australia). 2010. *Investing in impact. Newsletter No.1*. Retrieved May 2010 from www.socialventures.com.au/Demonstrating_Impact/.

Appendix 7. Case Study: Most Significant Change

Most Significant Change stories were used to evaluate the social impacts of the Woodland Watch project. Woodland Watch is a WWF-Australia woodlands conservation project that has been operating in the WA wheatbelt since 2000. In 2005, 61 MSC stories were collected and subsequently categorised according to the Bennett's Hierarchy Program Logic of Causality. This evaluation focused attention on investment in community capacity building, or 'social assets' as a primary aim for the project.

Method:

Step 1. Discuss, trial and review the MSC and Appreciative Inquiry approach with the Woodland Watch Project (WWP) Group.

Step 2. Identify the 'users' of the WWP in participation with the WWP Management Group.

Step 3. Identify the 'domains of change' (4 types) social impacts by the Project to be

considered in the evaluation in participation with the WWP Group.

Step 4. Establish a process that allows users in the evaluation to learn about the technique. This included designing the workshop and 'one-on-one' interview process to allow participants to engage with and evaluate the MSC and Appreciative Inquiry techniques.

Step 5. Develop a 'story of change' collection pro-forma for the 'one-on-one' Appreciative Inquiry interviews with primary and secondary users of the Project and a process to collect stories from different users.

Step 6. Develop a pro-forma for participants in a workshop setting to conduct Appreciative Inquiry interviews and convene workshops of different users to discuss and review Woodland Watch 'workshop' stories in a participatory way.

Step 7. Develop a process to review the 'one-on-one' Appreciative Inquiry interview stories and to assess the correctness of the 'factual' content of the stories.

Step 8. Analyse and summarise stories collected, and provide feedback to the participants in the Woodland Watch Evaluation Project and to project funders and managers.

Results:

- Socio, Economic and Environmental Change: 39% of stories were concerned with positive SEE consequences of the Woodland Watch Project.
- Behavioural Change: 75% of stories showed a positive and enthusiastic change in understanding and valuing bushland that is supporting the development of a new paradigm for bushland conservation in the wheatbelt region of WA.
- Community Capacity Change: 71% of stories indicated positive changes in users' knowledge, attitudes, skills, aspiration and confidence.

- Normalisation of Bushland Values: the majority of stories indicated that the bush is beginning to be seen as an asset in its own right by farmers, and that farmers (and their advisers) are integrating conservation and agricultural production in farm planning.

Source:

WWF-Australia. 2005. *Woodland watch social impacts evaluation – summary*. Retrieved May 2010 from www.wwf.org.au/publications/woodland-watch-social- impacts-eval-summary.

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Desert Garden Produce Aboriginal Corporation

The Graham (Polly) Farmer Foundation
Make Your Mark

Griffith University

Iga Warta
the place of the native Orange

Karoo Development Foundation

Keeaingkee Arts

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