



# Human Services Outcomes Framework Guide

Document number:	Date: Wednesday, July 26, 2017
------------------	--------------------------------

## Contact details

Name: Dawn Routledge	Position: Executive Director
Business Unit: Policy & Innovation	Division: ICT & Digital Government
Email: dawn.routledge@finance.nsw.gov.au	



# Table of Contents

<b>Human Services Outcomes Framework Guide</b>	<b>1</b>
<b>1. Purpose of this Guide</b>	<b>4</b>
<b>2. Key terms</b>	<b>5</b>
<b>3. The Human Services Outcomes Framework</b>	<b>7</b>
3.1 Purpose	7
3.2 About the Human Services Outcomes Framework	8
3.3 What are the benefits?	15
<b>4. Understand the basics</b>	<b>16</b>
4.1 What are outcomes?	16
4.2 Why focus on outcomes?	18
4.3 What does it mean to have an outcomes-focused approach?	20
4.4 Using the Framework	20
4.5 The challenges to adopting an outcomes-focused approach	21
4.5.1 Challenges around understanding its value	21
4.5.2 Challenges around realising that value	23
<b>5. Define how you are creating change</b>	<b>25</b>
5.1 Define the issue	26
5.2 Define the participants	28
5.3 Gather evidence	28
5.4 Describe the activities	29
5.5 Identify the outputs	30
5.6 Identify the outcomes	30
5.7 Define the impact	33

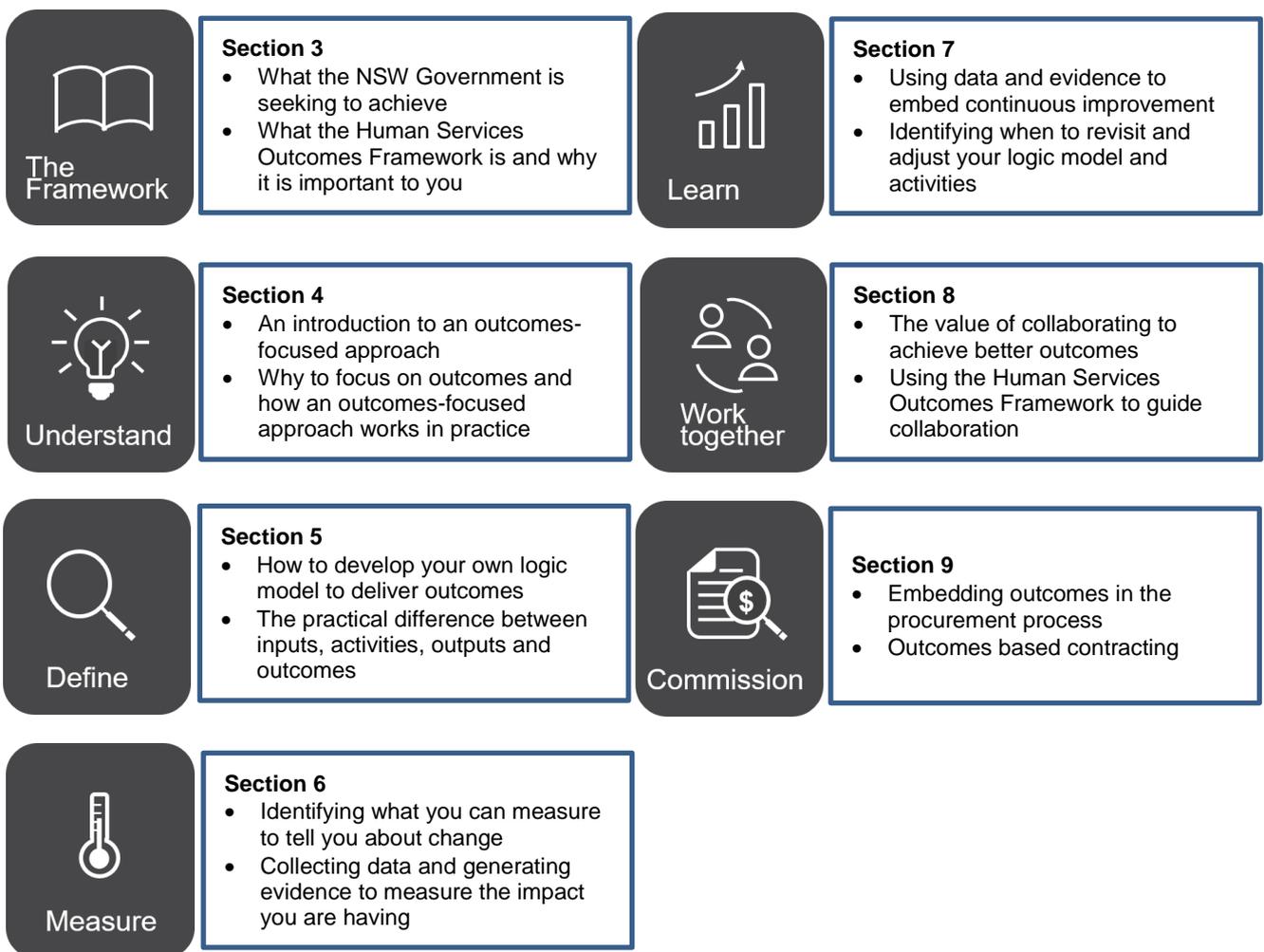
<b>6.</b>	<b>Measure outcomes</b>	<b>34</b>
6.1	Deciding what data to collect	34
	6.1.1 What are indicators?	34
	6.1.2 Considerations when identifying indicators	35
6.2	Data collection tools	35
6.3	Collating the data	38
<b>7.</b>	<b>Learn so you can improve what you do</b>	<b>39</b>
7.1	Getting the most out of your outcomes-focused approach	39
7.2	How do you build a learning culture?	40
7.3	What takes the most time?	43
<b>8.</b>	<b>Working together to achieve outcomes</b>	<b>44</b>
8.1	Why collaborate?	44
8.2	How does the Framework to support collaboration?	44
	8.2.1 Encouraging agencies and NGOs to work towards the same goal	44
	8.2.2 Encouraging agencies and NGOs to operate as an ecosystem	46
8.3	How do you collaborate?	49
8.4	Establishing shared measurement	49
<b>9.</b>	<b>Commissioning for outcomes</b>	<b>51</b>
9.1	What is commissioning for outcomes?	51
9.2	Outcomes-based contracting	51
9.3	Outcomes-focused performance monitoring and management	54
	9.3.1 How to set performance expectations	54
	9.3.2 The performance management process	54
	9.3.3 Unsolicited proposals	54
<b>10.</b>	<b>Interaction with other initiatives</b>	<b>56</b>
10.1	Background	56
10.2	Other initiatives	56

10.2.1	Human Services Data Hub	56
10.2.2	Data Analytics Centre	56
10.2.3	Financial Management Transformation Program	57
10.2.4	NSW Government Commissioning and Contestability Policy	57
10.2.5	Social impact investment/Social impact bonds	57
10.2.6	Guidelines for engagement with NSW human services non-government organisations	58
10.2.7	NGO Benchmarking Model	58
10.2.8	Benefits Realisation Management Framework	58
10.2.9	NSW Government program evaluation guidelines	59
10.2.10	OCHRE initiatives	59
10.3	Definitions	59
<b>11.</b>	<b>Where do I find more information</b>	<b>60</b>
11.1	Other information sources	60
<b>12.</b>	<b>Appendices</b>	<b>61</b>
	Appendix A – Additional definitions of terms	61
	Appendix B – Logic Model template	64
	Appendix C - External evidence	65
	Appendix D – Logic Model workshop guide	67
	Appendix E – Criteria when selecting indicators	68
	Appendix F – Common methods for collecting data to measure outcomes	69
	Appendix G – Data collection template	72
	Appendix H – Key definitions across various initiatives	73

# 1. Purpose of this Guide

This guide is an introduction to the NSW Human Services Outcomes Framework (the Framework). It provides an overview of the Framework, sets out practical steps for adopting an outcomes-focused approach in your agency or non-government organisation (NGO), and reflects on collaboration and commissioning for outcomes.

The key purpose and learnings are set out below.

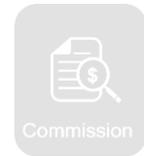


## 2. Key terms

Term	Definition
Activity	The actions you take to respond to an identified social issue. Activities might include delivery of one or more programs or services or funding others to deliver programs or services.
Data	Information that has been gathered about indicators that, when analysed, shows whether progress is being made on a certain condition or circumstance.
Evidence	Information (including analysed data) that helps to prove a fact and inform decision-making.
Impact	The longer term social, economic, cultural and/or environmental outcomes (effects or consequences) of an intervention.
Indicators	Measurable markers that show whether progress is being made on a certain condition or circumstance. Different indicators are needed to determine how much progress has been made toward a particular output, outcome or impact.
Inputs	Resources that are used by an intervention. Examples are money, staff, time, facilities, equipment, etc.
Logic model	<p>A visual representation of the logic of how an intervention will work to effect change. The model identifies the intended causal links between activities, short-term outcomes, medium-term outcomes and long-term outcomes. Outcomes may be positive, negative or neutral; intended or unintended. There is no one way to represent a logic model – the test is whether it is a logical representation of the intervention’s causal links.</p> <p>This is also referred to as: program logic, program theory, theory of change, causal model, outcomes hierarchy, results chain, and intervention logic.</p>
Outcomes	<p>The changes that occur for individuals, groups, families, organisations, systems, or communities during or after an intervention. Changes can include attitudes, values, behaviours or conditions.</p> <p>Changes can be short term, intermediate or long term:</p> <ul style="list-style-type: none"> <li>• Short term outcomes – the most direct result of an intervention, typically not ends in themselves, but necessary steps toward desired ends (intermediate or long term outcomes).</li> </ul>

	<ul style="list-style-type: none"> <li>• Intermediate outcomes – link an intervention’s short term outcomes to long term outcomes; they necessarily precede other outcomes.</li> <li>• Long term outcomes (sometimes called ultimate outcomes or impact) – result from achieving short term and intermediate outcomes, often beyond the timeframe of an intervention.</li> </ul>
Outcomes-focused approach	The broad process of developing a theory of how change happens because of activities and gathering data to prove or disprove the theory of change and learn what works to inform better decision making. This is also referred to as: outcomes management or managing to outcomes.
Outcomes-focused performance management	An approach to performance management that emphasises the use of outcomes data to inform strategic planning and decision making.
Outcomes measurement	The process of measuring if, and how much, activities lead to certain outcomes
Outputs	The direct and measurable products of an intervention’s activities and services, often expressed in terms of volume or units delivered.

Some of these terms may have an alternative meaning across NSW government for different purposes. Additional definitions are included in [Appendix A](#).



## 3. The Human Services Outcomes Framework

### 3.1 Purpose

The Framework sets out the population outcomes that the NSW Government is seeking to achieve in the delivery of human services. It will help us to better meet the needs of the people of NSW by:

- building a common understanding of the outcomes for people that are priorities across agencies and NGOs
- supporting agencies and NGOs to adopt an outcomes-focused approach in human services planning and commissioning
- promoting consistency in the measurement and evaluation of outcomes and activities
- fostering innovation, learning, and improvement
- encouraging agencies, and NGOs to work together to achieve outcomes.

The Framework is based on local and international research and through consultation with agencies and NGOs delivering human services for the NSW Government.

The NSW Government is committed to an outcomes-focused approach to human services. Whilst the Framework is not mandatory, and there is no associated reporting requirement, agencies and NGOs are encouraged use the Framework to support the design, delivery and evaluation of the services they deliver.

The NSW Government is currently undergoing Financial Management reform which will transform the way the budget is delivered. This will occur through the implementation of program budgeting which involves a core focus on outcomes as part of the budget decision making process.

These changes are complementary to the Human Services Outcomes Framework and will assist in its implementation since the development of outcomes and corresponding performance measures will be required for the budget process. In selecting performance measures for program budgeting outcomes, the library of Human Services Outcomes primary indicators will be a useful starting point.



See Section 10 for further detail on how the Framework interacts with existing government initiatives.

## 3.2 About the Human Services Outcomes Framework

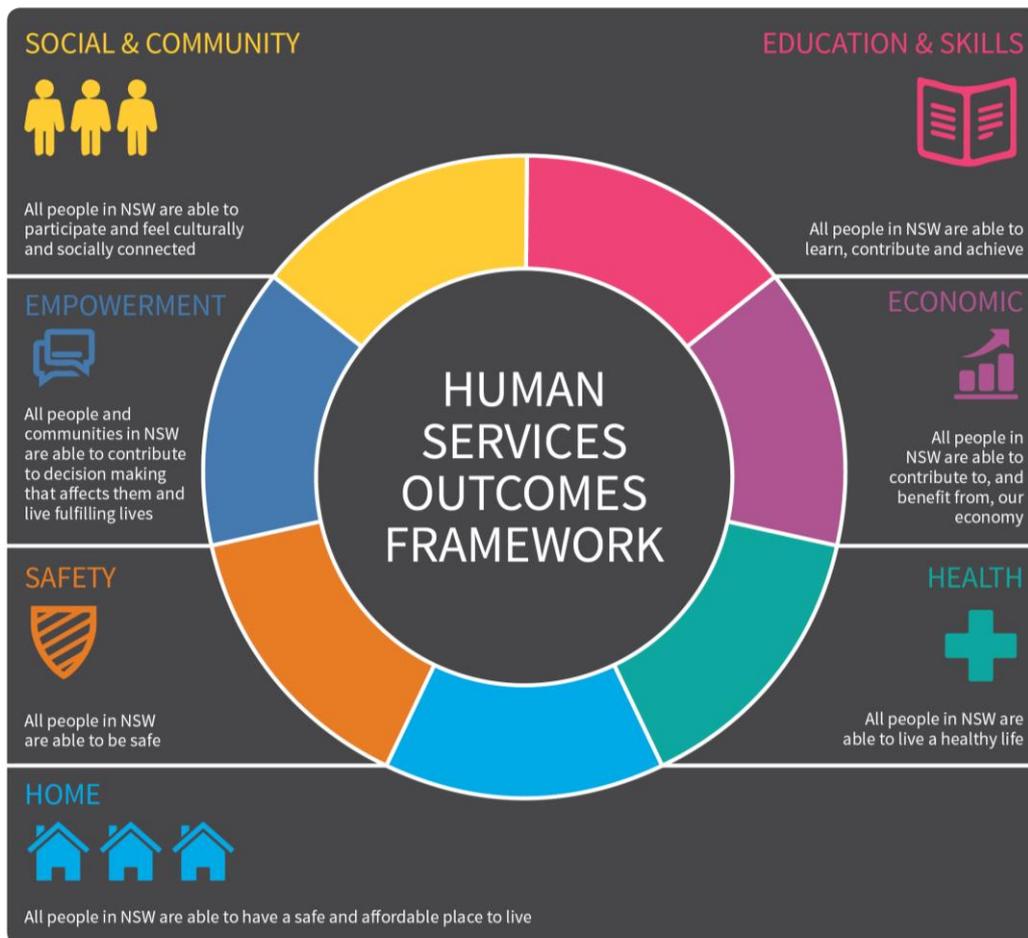
### 3.2.1 The seven outcome domains

The Framework has seven Outcome Domains defined by a statement of intent:

- **Education & Skills** – All people in NSW are able to learn, contribute and achieve
- **Economic** – All people in NSW are able to contribute to, and benefit from, our economy
- **Health** – All people in NSW are able to live a healthy life
- **Home** – All people in NSW are able to have a safe and affordable place to live
- **Safety** – All people in NSW are able to be safe
- **Empowerment** – All people and communities in NSW are able to contribute to decision making that affects them and live fulfilling lives
- **Social & Community** – All people in NSW are able to participate and feel culturally and socially connected.



## Human Services Outcomes Framework: Seven Outcome Domains



For each Outcome Domain, the Framework articulates:

- the outcomes
- possible indicators to measure achievement.



**EDUCATION & SKILLS**  
All people in NSW are able to learn, contribute and achieve

- Children receive high quality early childhood education and care to give them a great start in life and at school
- All children are engaged in and benefitting from schooling
- Young people make a successful transition from school to further education, training and work
- All adult workers have the skills and qualifications they need to enjoy active and productive lives

ES1 Increase the proportion of students in the top two NAPLAN bands by 8%\*

ES2 Increase the proportion of Aboriginal and Torres Strait Islander students in the top two NAPLAN bands for reading and numeracy by 30%\*

**Outcome Domain and statement of intent**

*This level identifies the outcomes for whole populations (for communities, cities, the State of NSW) and reflects the factors that impact life outcomes for vulnerable people*

**Outcomes** *This level identifies the key outcomes for each domain as indicators of wellbeing for whole populations (for communities, cities, the State of NSW)*

**Primary Indicators** *This level identifies indicators of wellbeing for customers and quantifies how well a program, agency or service system is working. Indicators at this level demonstrate progress towards the strategic goals and outcome domains*

It should be noted that:

- the outcomes reflect our priorities in achieving each Outcome Domain. They are not exhaustive, and will be tested and adapted over time to reflect new priorities
- it is important to engage with relevant stakeholders when developing Indicators for your agency, NGO, program etc (i.e. working with NSW Aboriginal peak bodies to identify the best indicators for achieving better outcomes for Aboriginal people)
- the Library of Primary Indicators is a starting point for best practice indicators for each outcome.



The Framework for each Domain is shown below.



## EDUCATION & SKILLS

All people in NSW are able to learn, contribute and achieve

- Children receive high quality early childhood education and care to give them a great start in life and at school
- All children are engaged in and benefitting from schooling
- Young people make a successful transition from school to further education, training and work
- All adult workers have the skills and qualifications they need to enjoy active and productive lives

---

ES1 Increase the proportion of students in the top two NAPLAN bands by 8%\*

ES2 Increase the proportion of Aboriginal and Torres Strait Islander students in the top two NAPLAN bands for reading and numeracy by 30%<sup>^</sup>



## ECONOMIC

All people in NSW are able to contribute to, and benefit from, our economy

- Greater access to employment for disadvantaged groups
- Reduce income inequality

---

E1 Create 150,000 new jobs by 2019\*

E2 Increase the proportion of people completing apprenticeships and traineeships to 65% by 2019<sup>^</sup>

Key: \* Premier's Priority ^ State Priority



## HEALTH

All people in NSW are able to live a healthy life

- Improve mental health and wellbeing
- Improve individuals' access to health care services they require
- Keeping people healthy through proactive management and education
- Improve Aboriginal health outcomes

---

HE1 81% of patients through emergency departments within 4 hours\*

HE2 Increase on-time admissions for planned surgery, in accordance with medical advice<sup>^</sup>



## HOME

All people in NSW are able to have a safe and affordable place to live

- Housing is affordable
- Social housing is physically accessible, culturally appropriate and well maintained
- Reduce homelessness

---

H1 Increase housing supply across NSW - Deliver more than 50,000 approvals every year<sup>^</sup>

H2 Increase the number of households successfully transitioning out of social housing by 5% over three years<sup>^</sup>

H3 Increase the proportion of young people who successfully move from Specialist Homelessness Services to long-term accommodation by 10%\*

Key: \* Premier's Priority ^ State Priority




## SAFETY

All people in NSW are able to be safe

- All children are safe from harm
- All people are safe from domestic and family violence
- Reduce crime

---

S1 Decrease the percentage of children and young people re-reported at risk of significant harm by 15%\*

S2 Reduce the proportion of domestic violence perpetrators re-offending within 12 months by 5%\*

S3 LGAs to have stable or falling reported violent crime rates by 2019^

S4 Reduce adult re-offending by five per cent by 2019^



## EMPOWERMENT

All people and communities in NSW are able to contribute to decision making that affects them and live fulfilling lives

- The customer is at the heart of decision making that affects them
- Service design is determined by customer experience
- Service provision is non-discriminatory and culturally appropriate

---

EM1 Successful implementation of the National Disability Insurance Scheme by 2018^

EM2 Improve customer satisfaction with key government services every year, this term of government\*

Key: \* Premier's Priority ^ State Priority



## SOCIAL & COMMUNITY

All people in NSW are able to participate and feel culturally and socially connected

- Aboriginal people and communities have strengthened knowledge and expertise in language, culture and identity
- Increase rates of feeling connected (a sense of belonging to community)
- Increase community participation and volunteering

---

C1 70% of government transactions to be conducted via digital channels by 2019 ^

C2 Increase attendance at cultural venues and events in NSW by 15% by 2019 ^

Key: \* Premier's Priority ^ State Priority

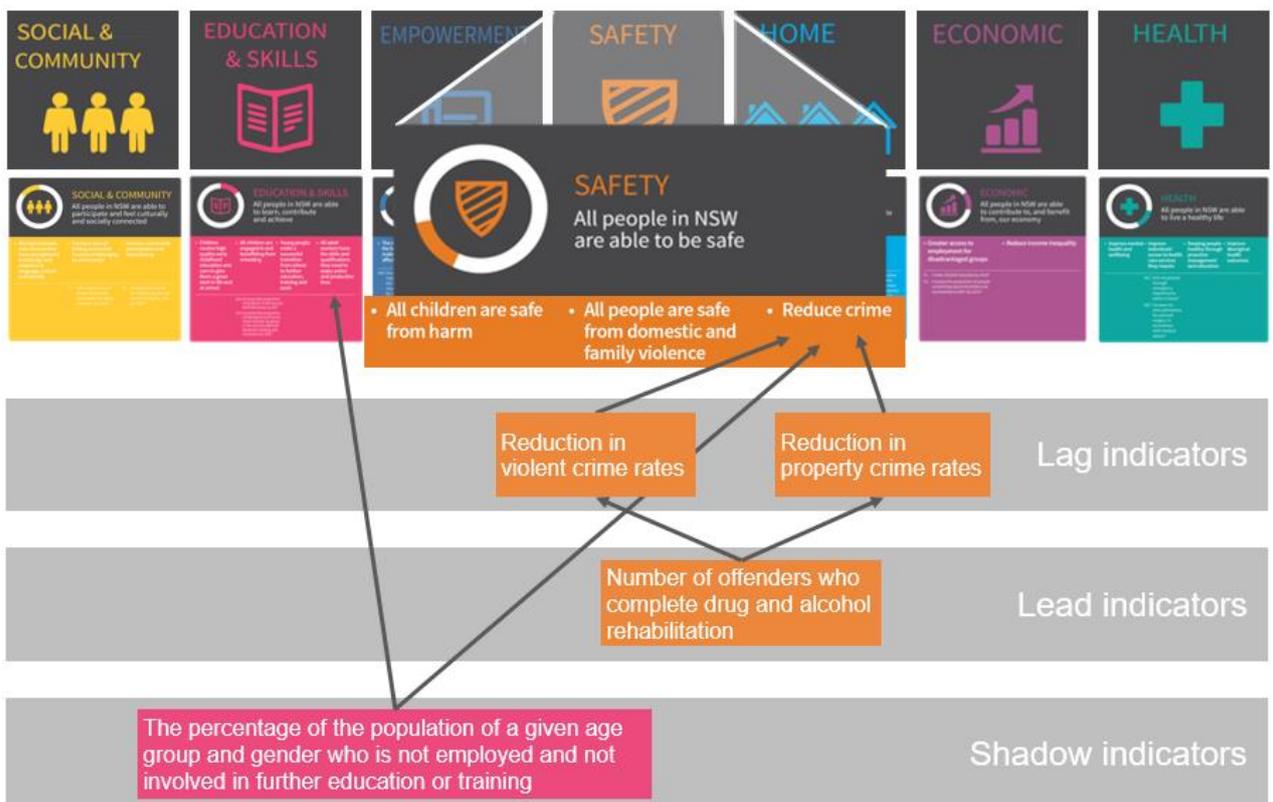




### 3.2.2 Library of Primary Indicators

The Library of Primary Indicators has been developed to support agencies and NGOs to implement the Framework. Primary Indicators are high level indicators that have been identified following research and consultation with Agencies and NGOs. They are intended to assist users of the Framework to align their activity level measures to outcome domains. Agencies and NGOs can use these indicators to monitor progress towards achieving agreed outcomes at a contract, program and/or NSW population level. The Library is not exhaustive; agencies and NGOs are encouraged to build on this.

Agencies and NGOs can monitor performance against these indicators and use the findings to inform discussions about future service delivery methods and priorities, and the need for collaboration, co-ordination or a change in direction required to achieve a positive impact.



### Ownership, learning and improvement

The Framework was developed by the Social Innovation Council. It is a living framework; it will be improved and adapted over time as we learn what is, and is not, working.

The Social Innovation Council and the Department of Finance, Services and Innovation (DFSI) will:



Understand



Define



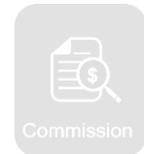
Measure



Learn

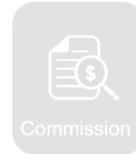


Work together



Commission

- **Lead the ongoing development of the Framework:** DFSI will work with agencies and NGOs to identify new and emerging priorities. This might include refining the Framework, identifying training and development needs, building on the Library of Primary Indicators, standardising content (e.g. Impact Pathway Maps) or standardising tools and approaches (e.g. Logic Maps).
- **Co-ordinate the sharing of insights and learning:** as agencies and NGOs interact with the Framework, trial its implementation and identify new uses, DFSI will facilitate communication across agencies and NGOs. This might include highlighting good practice, sharing valuable tools or case studies of what hasn't worked and why.
- **Manage the Framework's interaction with other Government initiatives:** DFSI will engage with agencies across the NSW Government to ensure that the Framework appropriately integrates with related government initiatives. Refer to Chapter 10 for an overview of how the Framework interacts with existing initiatives.



### 3.3 What are the benefits?

How the Framework can support agencies and NGOs is summarised in the following table.

<b>Support Agencies to:</b>	<b>Support NGOs to:</b>
Strengthen their engagement with individuals by articulating government activities under Outcome Domains seen as relevant and meaningful	Better engage Government on the intent and results of their activities
Identify other Government or NGO activities that are contributing to the same domain	Identify other Government or NGO activities that are contributing to the same domain
Identify any gaps in services and strategically develop or commission appropriate initiatives to address these gaps	Identify gaps in services and strategically develop appropriate initiatives or partner with others to address these gaps
Achieve better results for the people of NSW.	Achieve better results for their customers.

See [Section 4.4](#) for further detail on how agencies and NGOs can benefit from an outcomes-focused approach.



## 4. Understand the basics

### 4.1 What are outcomes?

In human services, outcomes are the positive changes that happen as a consequence of the program, service or activity being delivered. These changes occur for individuals, groups, families, organisations, systems, or communities during or after an activity. Changes can include attitudes, values, behaviours or conditions.

Outcomes can be short, intermediate or long-term:

- short-term outcomes are the most direct result of an intervention
- intermediate-term outcomes link an intervention's short-term outcomes to long-term outcomes
- long-term outcomes are the result of achieving the short and intermediate-term outcomes. They usually occur beyond the timeframe of the activity.

Frontline worker says:

"I have been working with kids for 20 years. I watch them grow and change every day because of what we do here and I intuitively know what works best for them. Talking about outcomes means my workmates and the government now want to hear about the real work I'm doing – not just the numbers of kids that come through the door"

Outcomes are different from outputs. Outputs are the things that happen due to a program or activity (for example, a child gets a pair of glasses), and outcomes tell us about how things changed for the person (for example, the child has improved vision, the child becomes more engaged at school, the child's self-confidence increases).

Some simple examples of relationships are depicted below.



### Relationship between activities and outcomes



Running a doctors surgery



... What changes?...



People get well and stay healthy



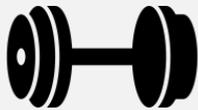
Training guide dogs



... What changes?...



People with low vision have more independence



Operating a gym



... What changes?...



People are healthier



Movie theatre puts in a ramp



... What changes?...



People with disability can participate in social activities



## 4.2 Why focus on outcomes?

The NSW Government is encouraging all agencies and NGOs that deliver human services in NSW to adopt an outcomes-focused approach for a number of reasons:

- **It leads to greater impact** – an outcomes-focused approach encourages agencies and NGOs to be clear about the impact they want to have, and then test, learn and iterate to make sure services are effective. This test, learn and iterate process can improve service design and delivery, foster collaboration to achieve shared goals, and drive innovation, that ultimately leads to better human services outcomes.
- **It is good for the people we serve** – an outcomes-focused approach puts people's needs at the centre of design and delivery. When the focus is on the individual, service providers can work with individuals to empower them to be agents of change for themselves, their families and their communities.
- **It supports innovation** – by building evidence about what works and why, agencies and NGOs can find new ways of addressing challenging problems. Designing programs that can be tailored to the individual that also leverage the other services that the individual is accessing, to address their unique range of needs and aspirations, based on evidence of what works can lead to new approaches.
- **It engages and refocuses the agency or NGO** - It can be energising to see that the work you are doing is creating meaningful impact for people in need. Having greater clarity of the change that your work leads to can inspire everyone in an agency or NGO, and even the beneficiaries themselves, to engage in the work and try, test and iterate to find the best ways to create that meaningful impact.
- **It provides greater transparency for funders** - government commissioning agencies and other philanthropic funders prefer to fund programs that can demonstrate what they are doing works and is creating meaningful and lasting impact. An outcomes-focused approach provides better information to all parties, so funders can also work with NGOs to make programs more effective. NGOs that are better able to demonstrate their value can unlock new funding opportunities.
- **It supports collaboration** - individual needs often span many of the seven Outcome Domains in the Framework. Agencies and NGOs can achieve better human services outcomes by designing services to address all the needs of an



individual, or by partnering with agencies and/or organisations to deliver holistic solutions.

See the example below of how the Advocate for Children and Young People are focusing on outcomes and can support a whole-of-government approach.

### **New South Wales Government Office of the Advocate for Children and Young People (ACYP): The NSW Strategic Plan for Children and Young People 2016 – 2019**

In 2016, the NSW Government released its three-year strategic plan for children and young people, which sets out government activities, outcomes, and indicators across key themes identified to be important to children and young people.

The themes—safe, connect, respect, opportunity, wellbeing, and voice—were identified through consultation with children and young people about what mattered most to them as well as through analyses of key trends and of government strategies and plans for children and young people in Australia and internationally.

The articulation of these six themes supported a whole-of-government approach to addressing the needs of children and young people. An Interdepartmental Advisory Group (IDAG) was formed with representatives from all state government cluster agencies to come together and provide information on any activities underway and in development related to these themes. This comprehensive view then allowed the IDAG to work together to identify any gaps and develop appropriate initiatives to address the gaps.

To understand if the plan is working, five indicators have been chosen or developed for each of the key themes, drawing from different agencies as appropriate. For instance, indicators for 'Opportunity' include indicators from Education ('increase the proportion of NSW student in the top two NAPLAN bands for reading and numeracy by 8%') as well as from Employment ('create 150,000 new jobs in the four years to March 2019').

This plan supports a more holistic approach to delivering effective services and achieving better outcomes. It also serves to bridge a communication gap between NSW Government and children and young people by articulating government activities under themes seen as relevant and meaningful.

*"It provides a common set of agreed objectives and indicators against which NSW Government policies and services for children and young people can be aligned. Over time, it is expected to lead to more effective and efficient investment across program and portfolio boundaries and better outcomes for children and young people." The Hon. John Ajaka, MLC, Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism*

#### Sources

NSW Government Office of the Advocate for Children and Young People (ACYP), The NSW Strategic Plan for Children and Young People 2016 – 2019. July 2016.



### 4.3 What does it mean to have an outcomes-focused approach?

Having an outcomes-focused approach means orienting your agency or NGO to achieve outcomes. The first step is understanding what outcomes your agency or organisation is trying to achieve – to answer “Why are we doing this?”.

Secondly, you need to focus on the people you deliver services to, and the changes you want to effect for those people – not just the programs you deliver or the terms of your contracts. This means developing and delivering activities in line with the outcomes your agency or NGO wants for people.

To achieve those outcomes, you must draw on the existing evidence of which outcomes have helped address the same issues you are trying to address elsewhere or at a different time. You then rigorously measure your performance against those outcomes, and manage your agency or NGO aligned to those outcomes and measures.

Agencies and NGOs that adopt an outcomes-focused approach will have the right information about what is working, and will use this information to improve program design and delivery.

Practical information on how to adopt an outcomes-focused approach is provided in [section 7](#).

### 4.4 Using the Framework

The Framework supports agencies and NGOs to adopt an outcomes-focused approach by setting out the human services outcomes that NSW government is working towards. You can use the Framework to help identify the long-term outcomes that your agency or NGO is looking to achieve.

The Framework will be useful in providing:

- greater clarity around what the NSW Government’s target outcomes are and a way to demonstrate how NGOs are contributing towards those outcomes

Anita is managing a women’s refuge

Her team speaks to the women who use the refuge and decide that the outcome they should be trying to achieve is that more women permanently leave situations where they are victims of violence.

Taking an outcomes-focused approach, the refuge chooses to not put all of its efforts into providing temporary refuge but instead puts some resources into operating a txt support service that supports women as they permanently leave situations of violence.

The women’s refuge’s txt support service allows Anita to stay in touch with women beyond the date when they leave the refuge. They are able to gather data to see whether or not their service has helped women to permanently leave situations where they are victims of violence.



- context for how programs or services will fit to these long-term human services outcomes
- a way to increase awareness of possible impact linkages within and across domains.

Agencies and NGOs should use the Framework to identify which Outcome Domains in the Framework their activities will contribute towards. Those outcomes should then be the goal:

- of all the human services they deliver or fund
- when determining how to respond to a specific issue (e.g. drug and alcohol use or youth unemployment) or cohort of people (e.g. children-in-out-of-home care or people who are homeless).

The Framework also includes a Library of Primary Indicators that can be used to measure progress towards these outcomes. The indicators help agencies and NGOs to determine whether the activities they are funding or delivering are contributing to change in one or more of the Outcome Domains. You can learn more about measuring change in [Section 6](#).

See [Section 7](#) to learn how to build long-term goals into your outcomes-focused approach.

### **New South Wales Government Department of Family and Community Services (FACS): Measuring Social Housing Outcomes**

FACS has used the Framework in Social Housing to improve outcomes for tenants. FACS began the process by undertaking a desktop evidence review to gather evidence of what works to achieve social housing and wellbeing outcomes. This evidence helped FACS to identify the relevant outcomes. The continuum from what FACS delivers, to how people benefit and what outcomes they ultimately achieve, has become more transparent. FACS has been able to use this information to develop a version of the Framework specific to social housing that complements the NSW Government's Future Directions for Social Housing in NSW.

## **4.5 The challenges to adopting an outcomes-focused approach**

### **4.5.1 Challenges around understanding its value**

For many agencies or NGOs, adopting an outcomes-focused approach means a real shift in focus. Some are concerned that it means committing to solving the whole problem for a person, that it will cost significant money to implement and that the information gathered will be used against them to adjust funding. Some believe an outcomes-focused approach is not core business, it is just a “nice to have”, or that the level of interest will fade.



The NSW Government sees value in the approach as a way to more effectively and efficiently deliver social change and is encouraging agencies and NGOs to support this effort. The definition and measurement of outcomes is being embedded in many aspects of government policy and in procurement, many agencies and NGOs have seen or even tendered for human services that have required the identification and measurement of outcomes. Social impact bonds are an example of this.

The following table compares what an outcomes-focused approach is, and what it isn't.

What it is	What it isn't
An opportunity to make sure that the work you do is effectively contributing to long-term change for the people agencies and NGOs work with.	Signing up for more work by having to solve the whole problem. Your program might only contribute to one part of the change journey for an individual. An outcomes-focused approach lets you see how your work contributes to that long-term change, and whether it is doing it effectively.
An approach that means agencies and NGOs have the right information to make better decisions to improve program delivery in a timely manner.	An obligation to collect information for the purposes of reporting. The NSW Government is not intending to use the Framework for whole of government reporting, however agencies may use it to report against the Framework domains in service contracts.
An opportunity for government and philanthropic funders to support innovation, growth and development within agencies and NGOs.	An opportunity for government and philanthropic funders to cut funding to ineffective agencies and NGOs.
An invitation to engage stakeholders and gather evidence to understand the changes that individuals want, and the changes that are likely to lead to impact for individuals. This process can help agencies and NGOs identify which outcomes they will seek to achieve, including one or more of the broad, long-term changes in the Framework.	The government mandating which outcomes must be achieved. The Framework is voluntary and it does not include all the short and medium-term outcomes that an agency or NGO might be working to achieve. Similarly, this does not preclude the continued measurement of activities and outputs.
A framework that can be applied to all human services activities.	A "nice to have". It might be appropriate to start small when adopting an outcomes-focused approach by starting with just a few programs, but it is a myth that an outcomes-



	focused approach is not relevant to core business in human services.
A shift that will require a reallocation of resources and an investment in capacity building.	A shift that needs to be expensive. The shift is a re-positioning, rather than something that requires additional resources or people.

#### 4.5.2 Challenges around realising that value

A focus on outcomes can lead to meaningful positive change for individuals. This guide is intended to support agencies and NGOs to focus on outcomes, however it is worth noting:

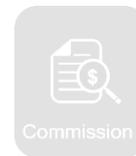
- To achieve maximum impact, it is not enough to just identify the immediate outcomes your activities currently achieve. You should identify all the outcomes that need to be achieved for an individual to experience the long-term impact that they want. This may include outcomes that you did not previously consider to be within your area of responsibility. While it can be difficult to conceptualise how the activities of an agency or NGO contribute to broader changes, this exercise is important because:
  - it can help an agency or NGO to design services that reflect the reality that the individual is operating in (i.e. their broader ecosystem), and the long-term needs and aspirations of that individual to make sure those services achieve better impact; and
  - it enables an agency or NGO to leverage other services to help individuals achieve the outcomes they want.
- Agencies and NGOs need to be careful that their orientation towards outcomes does not result in finding ways of achieving outcomes that are not in the best interest of individuals. These are called ‘perverse outcomes’ and might include, for example, only working with individuals who are likely to demonstrate change quickly.
- An inherent challenge for agencies and NGOs when they collaborate, is the issue of accountability. It can be difficult to determine which agency or NGO contributed to change for an individual, and even harder to attribute a proportional contribution. A clear view of how your activities will lead to the change in the shared goals (we call this a theory of change, discussed in detail in Section 5), and appropriate



measurement of outcomes can help to determine which agency or NGO is accountable for change.

### **Where are you up to?**

Now you should have a basic understanding of what outcomes are and how the Framework is intended to be used. You can use the next sections of this guide to better understand the process involved in defining how your activities will lead to outcomes, and how you can collect data and use that data to learn, and improve what you do.



## 5. Define how you are creating change

Your agency or organisation needs to be clear about what it is trying to achieve. Specifically, what are the changes, (i.e. the outcomes) that you want for the people you work with, and how will your activities lead to that change?

A Logic Model is one tool that can help to clearly tell the story of how your activity works. Described most simply, the Logic Model is a statement of intended consequence (i.e. if we do these things, then we will achieve these things). For example, if we provide services to older people in their homes, then we will prevent premature or unnecessary residential care. If we provide housing services to homeless people, then we will reduce homelessness.

A logic model is a common way of defining, and visually representing, the outcomes that will happen as a consequence of your activities. The model identifies the intended causal links between the activities and the short, medium and long-term outcomes. The various elements, and the causal links shown between them, articulate your theory of how change will happen. You should gather evidence by measuring and analysing data to test that your theory works in practice, and what, if anything, needs to change to achieve the desired impact.

A Logic Model can support evidence-based decision-making about the best way to address an issue. It can be used to describe the theory of how change will happen for one program, a group of programs, or an entire agency or NGO. Logic Models can also be used to represent your theory of how to respond to a particular issue, or how to support a particular cohort.

There is no 'one way' to represent a Logic Model – the test is whether it is a logical representation of the programs causal links.



Each of the steps of the Logic Model chain are introduced below. We will use the example of a parenting program to demonstrate how each step could be applied to a program.

You can use the template at [Appendix B](#) to build a Logic Model for your own programs.



## 5.1 Define the issue



What is the social issue you are responding to?

It is important to clearly define the issue you are trying to address even if you have been working on the issue for many years.

You should research the issue:

- how it has been dealt with successfully elsewhere, including the use of published, peer reviewed literature
- how your agency or organisation’s activities have operated in the past, and what changes have been happening as a consequence
- understand the people your activities serve and what their goals and aspirations are that your activities may be able to support them with.

**Issue**

What is the social issue you are responding to?

e.g. X% of children from disadvantaged backgrounds in NSW are not school-ready at age 5

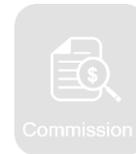
If your activities are designed to achieve the outcomes people really want, then those people will be more invested in making change happen.

A valuable source of information about what the issue is, and how that issue effects people’s lives, are the people who are experiencing the issue. Stakeholder consultation is important to gain valuable insights into what the real problem is that you are trying to solve. For example, interviewing a person who is homeless might reveal that the real issue for that person is not a lack of finances, but rather mental health issues.

**NGOs, check your constitution**  
 Most NGOs will have identified the stakeholder group and the broad issue the organisation is trying to solve in the objects section of its constitution. Reviewing the objects can be a useful starting point before engaging in stakeholder consultation. If the objects do not enable the organisation to address the real issue, in the best way possible, the organisation should consider amending its constitution.

Below are four activities that can help you gather information about the issue you are trying to address.

Activity	How to do it
Research what has worked in other places to address the issue	Most issues that human services seek to address, have been addressed in the past by your agency or NGO or elsewhere. Gathering evidence of what has worked and, importantly, what has not worked, can help to refine your thinking about how change is likely to happen as a consequence of a program. You can read more about evidence in <a href="#">Section 6</a> below.
Research outcomes used by similar programs	The outcomes-focused approach is being adopted throughout Australia and overseas. Many governments and NGOs are sharing their approaches online and there are a wide range of resources available that can link you to these



	<p>case studies. You might find other programs that are similar to yours that have identified outcomes that can inform your decision-making.</p>
<p>Talk to your program staff</p>	<p>Your program staff may have been observing the issue your program addresses, and the changes for many years. They will likely have views on what clients want and need, and valuable insights about how they believe change happens for clients in the program.</p>
<p>Hold a group meeting or workshop with current and former clients, or people who have the need that the program is trying to address</p>	<p>The best source of information about the issue you are addressing, and the changes you should be trying to achieve for people are the people themselves. You should try to understand from stakeholders:</p> <ul style="list-style-type: none"> <li>• more about the issue and how it affects them and the people close to them</li> <li>• what their needs and aspirations are</li> <li>• how change has happened for them in the past (which might indicate how change will happen in the future).</li> </ul> <p>Focus groups could be informal two-hour meetings with fewer than 15 participants. Participants could be asked questions such as “what has changed in your life because of the program?”, “What did you like or not like about the program?”</p>

**Action:** To understand your issue better, speak to stakeholders and program staff.

You can begin to build your logic model by writing a concise (fewer than three sentences) description of the issue your program is trying to achieve.



## 5.2 Define the participants



Who are the people upon whom you want to have an effect?

You should be able to clearly identify who your participants are. This includes all those who will benefit from any strategies or activities, including people with a need or aspiration, their family members or carers, government or other organisations you may work with to address the issue.

You might ask the question, where do we draw the line? Your program arguably touches so many people's lives; you should only include stakeholders who will be effected by the program in a material way.

**Action:** List all the material stakeholder groups. Be specific and include the number of participants and the geographical area that those participants are in

### Participants

Who are the people upon whom you want to have an effect?

Other stakeholders?

e.g. Children from disadvantaged backgrounds aged under 5 in NSW

## 5.3 Gather evidence



What does the evidence say is the best way to respond to the social issue?

You can use evidence gathered about the issue and about what others have found to work when addressing your issue. This evidence can help to inform initial program design or refinement of an approach. It can be used in consultation with participants and inform co-design activities. Evidence can include published research or systematic reviews of available literature.

You can also gather evidence to better understand the broader issue. For example, evidence can help you to understand the many interconnected factors that lead to a child being school-ready.

Do not get stuck at this point if you cannot find very strong evidence – the best available evidence is still useful and later on, it will be supported by evidence you create through measuring your own activities.

For more information about using evidence, see Appendix C.

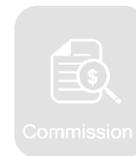
### Evidence

What does the evidence say is the best way to respond to the social issue?

e.g.

- Evidence about childhood development goals
- Evidence about attachment theory

**Action:** Record the evidence you are relying on. Which evidence suggests that your activity is a useful response to the issue? Is there any evidence that suggests otherwise? Include specific sources.



## 5.4 Describe the activities



What will you do with the participants? – what activities or services will you provide?

Activities are the actions you take to respond to the identified social issue. For example, activities might include running an early child care centre, providing housing assistance or offering counselling for victims of crime.

A Logic Model can articulate the change that you want to see for just one activity or for a grouping of activities. You can choose how broad or narrow you want to go depending on the level at which you want to be able to observe change. For example, running a school is an overarching activity that consists of many smaller activities, and a reading recovery program is a narrower activity.

Alternatively, you can use a Logic Model to represent your theory of how change can occur for a particular issue. In that case, you could include all the activities that a range of agencies and NGOs are delivering to address that issue. For example, if you used a logic model to represent of how change can occur when addressing the issue of childhood obesity, you might include as activities:

- child education and exercise (Education)
- diagnosis, meal planning, surgery (Health)
- parenting programs (FACS).

At this point, it is also important to record the inputs you will use to deliver the activity.

Inputs are defined as resources that are used by an activity such as money, staff, time, facilities and equipment.

**Activities**

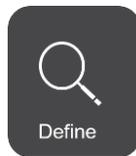
What will you do with the participants? – what activities/ services will you provide?

**Inputs**

e.g.

- Parenting course teaching parents how to discipline and encourage children, understand the needs of their children, and be educators

**Action:** List all the activities, and the relevant inputs, you want in your Logic Model.



## 5.5 Identify the outputs



What will happen to people who do those activities?

Outputs are the things that happen when you run an activity, but not necessarily changes for people. For example, 20,000 children attended four or more after-school care sessions, 38,000 arthroplasty of knee procedures were performed, 10,000 offenders attended facilitated offender behaviour change programs.

When describing outputs, you do not need to describe the change you hope to see as a consequence of the activity. Those changes are the outcomes.

**Action:** List all of the outputs that will happen because of the activity within a prescribed timeframe (usually a year)

Outputs

What will happen to the participants through doing those activities?

e.g.

- 100 parents attend 10 sessions of the parenting course over a three month period

## 5.6 Identify the outcomes



The hard work begins when it comes to articulating the consequences of what you do - the changes that happen for people. Remember that the changes that happen because of your activities are the outcomes. They are the immediate, intermediate and long-term changes in the people's lives.

There are four general principles to bear in mind when identifying outcomes.

1. **The Human Services Outcomes Framework is designed to help you adopt an outcomes-focused approach.** It is intended that all funded human services will contribute to one or more of the outcomes. You should consider ways that your activities may be contributing to changes in all areas of the Framework.
2. **Consequences can be positive or negative, or both.** For example, an unemployed young person supported to attend work-readiness training might experience greater levels of stress or anxiety. Being open to identifying both positive and negative consequences is crucial to ensuring the integrity of the resulting program logic statement.

Short-term Outcomes	Medium-term Outcomes	Long-term Outcomes
<p>What will be the immediate changes in the participants lives?</p> <p>e.g.</p> <ul style="list-style-type: none"> <li>• Parents feel more confident in their parenting skills</li> <li>• Parents report greater involvement in their child's development</li> </ul>	<p>What will be the intermediate changes in the participants lives?</p> <p>e.g.</p> <ul style="list-style-type: none"> <li>• More children attend early childhood education</li> <li>• More children achieve development goals</li> <li>• Family relationships are strengthened</li> </ul>	<p>What will be the long-term changes in the participants' lives?</p> <p>e.g.</p> <ul style="list-style-type: none"> <li>• More children are school ready</li> <li>• Children have a stronger support network</li> <li>• Children are more resilient</li> </ul>



3. **Consequences don't happen all at once.** The immediate consequences may be termed the 'outputs' or 'direct deliverables' of the program; these are generally what workers are directly involved in securing. The short and longer-term consequences can be termed 'outcomes'.
4. **Be exhaustive.** It is important to identify as many consequences that arise from the program as possible, including those which are indirect or seemingly tangential. This is because the program logic is distilled from this 'universe' of consequences, so taking a comprehensive approach is most likely to yield a sound logic statement that does not overlook anything. Once you have created an exhaustive list, you can identify the core outcomes, without which your participants will not achieve long-term impact. Those core outcomes are your priority outcomes.

Identifying the outcomes for a program is one of the most important, and in some ways one of the most challenging parts of adopting an outcomes-focused approach. Remember:

- while challenging, identifying your outcomes is also rewarding. It can energize and engage employees once they can see that the work they are doing is leading to tangible change for the people they are working for
- you don't have to get it right the first time. Understanding change is an iterative process and as you gather information about what works, you can evolve your outcomes.

**Action:** With these four principles in mind, we suggest holding a Logic Model workshop to identify, group and order your outcomes. See [Appendix D](#) for a Logic Model workshop guide. You should then write down your short, medium and long-term outcomes including the Human Services Outcomes Framework outcome(s) your program will contribute to. Try to limit it to five priority outcomes in each category.



### New South Wales Government: Domestic and Family Violence (DFV) Outcomes Framework

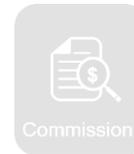
The NSW Government is currently developing its Domestic and Family Violence Outcomes Framework, which links to the Human Services Outcomes Framework. It has initially identified four outcome domains from the Human Services Outcomes Framework that it may contribute to, specifically:

- Safety: All people are safe from domestic and family violence
- Health: Improved mental health and wellbeing
- Home: Reduce homelessness
- Empowerment: The customer is at the heart of decision-making that affects them. Service design is determined by customer experience. Service provision is non-discriminatory and culturally appropriate

The new proposed framework represents a major shift in how success was previously measured, from inputs and outputs to outcomes or the change made in a person's life.

Source

NSW Government, Domestic and Family Violence Outcomes Framework. February 2017.



## 5.7 Define the impact



What will it look like when the social issue has been addressed?

What is the long-term change you want to see happen for people? The impact is often the inverse of the issue you are trying to address, but might be informed by the type of change that stakeholders say they want to achieve. You might choose to use outcomes from the Human Services Outcomes Framework as the impact your program is hoping to achieve.

Impact

What will it look like when the social issue has been addressed?

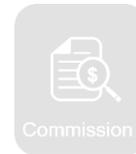
e.g.  
• Children from disadvantaged backgrounds have greater ability to learn, contribute and achieve

**Activity:** Write down the impact your program hopes to achieve.

**Challenge:** Now that you have defined your impact, review your logic model. Work backwards from your impact and think about how you could deliver your activities differently, or deliver different activities, to achieve your impact.

Below is an example logic model for a parenting program targeting disadvantaged families:

Issue	Participants	Evidence	Activities	Outputs	Short-term Outcomes	Medium-term Outcomes	Long-term Outcomes	Impact
What is the social issue you are responding to?	Who are the people upon whom you want to have an effect?  Other stakeholders?	What does the evidence say is the best way to respond to the social issue?	What will you do with the participants? – what activities/ services will you provide?  Inputs	What will happen to the participants through doing those activities?	What will be the immediate changes in the participants lives?	What will be the intermediate changes in the participants lives?	What will be the long-term changes in the participants' lives?	What will it look like when the social issue has been addressed?
e.g. X% of children from disadvantaged backgrounds in NSW are not school-ready at age 5	e.g. Children from disadvantaged backgrounds aged under 5 in NSW	e.g. • Evidence about childhood development goals • Evidence about attachment theory	e.g. • Parenting course teaching parents how to discipline and encourage children, understand the needs of their children, and be educators	e.g. • 100 parents attend 10 sessions of the parenting course over a three month period	e.g. • Parents feel more confident in their parenting skills • Parents report greater involvement in their child's development	e.g. • More children attend early childhood education • More children achieve development goals • Family relationships are strengthened	e.g. • More children are school ready • Children have a stronger support network • Children are more resilient	e.g. • Children from disadvantaged backgrounds have greater ability to learn, contribute and achieve



## 6. Measure outcomes

This section covers how to collect data to test whether your activities are creating the change you outlined in your Logic Model.

### 6.1 Deciding what data to collect

The next step is to agree how progress towards each outcome will be assessed. The priority outcomes from the Logic Model need to be translated into measurable elements that can be monitored. You can do this by identifying a set of indicators that will provide data about progress towards the outcome. The selected indicators should have a clear linkage to the desired outcomes, be validated and practical. This data should guide decision-making and inform service delivery (and if it isn't, you can review the indicators and collect different information).

#### 6.1.1 What are indicators?

The outcomes are the changes your program hopes to achieve. To observe whether or not those changes have happened, you need to use indicators. Indicators are the clues that suggest something has, or is going to happen. Think of the petrol gauge on a car. If the petrol gauge is on full, it is a strong suggestion that the petrol tank is full. We use the indicator (gauge), without having to look inside the petrol tank.

When we talk about indicators, we include things that are highly suggestive that a change has happened or will happen (e.g. an indicator that a person is satisfied with a service is that they say they would recommend the service to a friend) and facts that demonstrate that a change has happened (e.g. an indicator that a person is job-ready is that they have been employed for three months). When developing indicators for a program, the indicators should almost always begin with “words such as “The number of . . .” or “The percentage of . . .”.

The Library of Primary Indicators sets out indicators that map to the Framework. These indicators are not mandatory, nor is the library exhaustive. Agencies and NGOs are encouraged to use the library because the indicators:

- satisfy the best-practice criteria for what makes a good indicator
- are common in human services, so data gathered against those indicators can be compared
- are evidence-based, drawing on international indicator banks.



One or more useful indicators need to be identified for each of the priority outcomes in a Logic Model. The data collected on those indicators will help show whether change has happened.

### 6.1.2 Considerations when identifying indicators

When identifying indicators, there are a few considerations you should keep in mind:

- The primary focus of any measurement should be learning for the sake of improving. Keeping this in mind can help you to measure the right things so that you can learn what works and improve the effectiveness of your program
- Be practical, there is no need to do everything. To make the job easier, you can:
  - start with just one program or geography
  - begin by measuring the priority outcomes
  - draw on data you are already collecting
  - use the Library of Primary Indicators to find relevant indicators
  - utilise the extensive online resources on measuring outcomes.
- Select indicators that are accurate, rigorous and practical. Think about validity, reliability, timing, resourcing, credibility and whether it will be observable (see [Appendix E](#) for further information).
- Keep in mind the data you already collect, the data collection methods that are available to you (see [Section 6.2](#) below) and any budget or time constraints you might have.

## 6.2 Data collection tools

Once outcomes and indicators have been defined, the methods for collecting data need to be developed. Outcomes data can be collected through many different methods (e.g. surveys and questionnaires, structured and semi-structured interviews, and tailored client assessment tools). More information about each of these methods can be found in [Appendix E](#).

The best way to develop a complete assessment of outcomes is to use a mix of approaches to draw on multiple sources of data. The table in [Appendix E](#) can be used to think about which measurement tools might suit a particular program.

Technology solutions can assist in the timely collection and analysis of data. See the case study below on how YMCA Victoria have done this.



## YMCA Victoria

In 2015, YMCA Victoria sought to apply an outcomes-focused approach to understand how to improve the impact of its Skills for Work and Vocational Pathways Program, which works with young people at risk of being trapped in a cycle of crime and imprisonment.

YMCA Victoria knew that it was creating significant changes for the lives of men and women involved. However, it struggled to articulate what these changes were and which were most important. Anecdotal evidence suggested that changes ranged from reduced cigarette consumption to signing up for vocational courses.

To clarify its intended impact, YMCA first set out to define its logic model, which consisted of five key outcomes:

- Increased confidence and self-belief
- Healthier lifestyles
- Improved relationships
- More engaged in education or employment
- Reached full potential

This informed the development of a data collection plan. To ensure the collection was not too burdensome, YMCA Victoria selected two to three indicators per outcomes and set targets for the most pertinent indicators.

These indicators have been integrated into their data collection and reporting software and their program delivery, and they are now able to generate regular reports to understand what outcomes they have been able to achieve for which cohorts and in which locations. This has allowed them to make continuous improvements to the program to achieve better outcomes.

In 2014, they were recognised Social Impact Measurement Network of Australia's Excellence in Innovation in the Social Impact Measurement Award for their outcomes-focused approach.

“Better measurement of social impact is one of our key strategic goals in Youth Services over the next three years because it helps us with continuous improvement. It allows us to better evaluate our programs to fine tune them and to make sure they are increasingly powerful.” Paul Turner, Youth Services Innovation Manager, YMCA Victoria

### Source

Anna Crabb, Look before you leap into buying outcomes measurement software. SVA Quarterly. 4 March 2015.

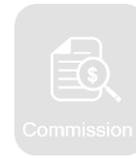


## Example outcomes, indicators and data sources

### *Example: Out of home care*

Outcome	Indicator	Data source
Child Safety		
Children have improved physical wellbeing	Number and percent of children with serious health problems at follow-up	Agency records, trained observer ratings
Children do not experience abuse and neglect	Number and percent of children and young people in OOHC reported at risk of significant harm (ROSH)	Agency records, trained observer ratings, client survey
Children are safe	Number and percent of children and young people in OOHC reported at risk of significant harm (ROSH).  Number and percent of children and young people re-reported at risk of significant harm (ROSH) within a 12 month period	Agency records, trained observer ratings, client survey
Child development		
Children develop physically	Number and percent of children who met development milestones, normal growth curves and height/weight expectations at time of follow-up	Agency records, trained observer ratings
Children develop socially	Number and percent of children who displayed “age-appropriate social skills” at time of follow-up	Trained observer ratings, client survey
Children develop academically	Number and percent of school-age children who were progressing satisfactorily in school at time of follow-up	Agency records, client survey

Adapted from *The Urban Institute: Key Steps in Outcome Management*



### 6.3 Collating the data

It is important to record how data will be collected and stored. Data should then be compiled in one central repository so that it can be analysed and used. Below is a simple table that can help with this record-keeping. A template for you to use is provided in [Appendix G](#).

Priority outcome	Indicator	Questions to ask to get information about the indicator	Person you can ask the question of	Data source	Comparable data source (useful for later comparison against)	Frequency with which you will gather the data	How data will be stored
<i>Include examples</i>							

All new data collection systems should be pilot tested. Treat any data collected in the first round of data collection with caution while you iron out any glitches with your collection methods. Remember also that the process is iterative and your agency and NGO will learn what works best for data collection and which things they want to measure most.



## 7. Learn so you can improve what you do

This section covers how you can:

- use the data to prove or disprove your theory of how change happens (Logic Model) and improve your activities based on what you learn
- adopt a learning culture
- adopt an outcomes-focused approach so that your agency or NGO is focused on achieving better human services outcomes.

Measuring the things that matter most is only part of the story; real change comes through building a culture that understands how to use the data to manage to outcomes.

### 7.1 Getting the most out of your outcomes-focused approach

How do you get the most out of your outcomes-focused approach to learn and improve?

It is vital to review the results of your outcomes measurement regularly to see whether things are working as you thought they would. This will help you ensure you achieve your intended impact.

Is the data confirming that you are achieving your intended outcomes, or is it perhaps showing that you are having mixed results in achieving your outcomes? Is the data showing that you are realising outcomes that you did not expect? Activities often don't happen the way you expect them to.

A useful way to review the data is to review in line with the Logic Model, from left (issue) to right (impact) as demonstrated in [Section 5](#). Some helpful questions to ask are:

Issue: Have you understood the issue appropriately?

- Is the issue you identified impacting on individuals in the way you thought it would?
- Are there other issues individuals are struggling with that need to be addressed first? Are those issues something you can address or work with a partner to address?

Stakeholders: Are you reaching the appropriate people?

- Are you reaching as many people as you expected? Is there something you can do to get the word out more or to increase referrals?
- Are you reaching the types of people you expected? Is there something you can do to better reach your target group?

Activities: Are you delivering activities appropriately?



- Are you delivering your activities in a way that resonates? Is the format appropriate? Is the location appropriate?
- Are you doing the right mix of activities? Are there certain activities that are more popular or impactful than others? Are there others you might want to stop doing?

Outcomes: Are you achieving the outcomes you intended?

- Are you achieving the outcomes you intended? If you are having mixed results with outcomes, look for the cohorts, geographies, or activities where you are doing well. What is it that is resulting in better outcomes? Are there particular characteristics or conditions that lend themselves more readily to better outcomes? Is it something about the way you are delivering activities in that geography, and is that something that you could replicate in areas where you might not be doing as well? Equally, it can be helpful to ask questions about the areas where you are not doing well. What is it about those areas that are not working well?
- Are you also hearing that you are achieving outcomes that aren't in your logic model, whether positive or negative? If so, integrate these outcomes into your logic model and data collection to start tracking them. What can you do to encourage more of the positive outcomes and prevent the negative outcomes?

Try modifying your activities based on these questions and see if your outcomes improve. To determine how best to modify your activities, you might also want to speak with your stakeholders and/or review the evidence.

If your modifications result in better outcomes, continue that new way of doing things. If not, ask these questions again and see what else might work. By regularly reviewing the data and making modifications to your activities, logic model, and data collection, you can iterate your way into a 'proven' logic model and service delivery model that achieves your intended impact.

## 7.2 How do you build a learning culture?

Just identifying what to collect, does not mean that staff will collect and use that information effectively. Agencies and NGOs should strive to develop a culture of disciplined tracking of performance against outcomes, appropriate evaluation and informed decision-making across the agency or NGO. An agency or NGO with a learning culture focuses on doing what it does as well as it can and continually seeks to do even better.

A learning culture values honest appraisal, open dissent, and constructive feedback. It promotes intelligent risk-taking in pursuit of both insight and impact. It considers the relevant context of an assessment and makes difficult decisions based on evidence—even if that means ending a program.



A learning culture requires:

- appropriate support. The agency or NGO needs to have engaged leadership who are committed to achieving outcomes and support a learning and outcomes-focused culture. Leadership must develop a deep understanding of the agency or NGO, who or what the agency or NGO supports and the outcomes it aims to achieve. The leadership should also keep the management accountable to delivering on these outcomes
- the management and staff to believe in the value of data and have skills to use it to improve results. This kind of performance culture requires an ongoing investment into the learning and development of staff.

There are various ways to support a learning culture, such as starting small, clearly communicating the outcomes you are seeking to achieve and then promoting and rewarding the use of data. It requires investment into infrastructure and people. Data collection, storage and reporting capabilities are essential, as is ongoing training of staff. However, the ultimate success is dependent on the leaders and the staff of the agency or NGO bringing data to life, as part of their ambition to drive continuous improvement.

Te Whānau O Waipareira is an example of an NGO where the Board, CEO and leadership team are leading the cultural change required; they recognise that this will be disruptive to their staff and the sector, and they have committed to this over the long term. You can read more about Te Whānau O Waipareira in the case study below:



## Te Whānau O Waipareira (Waipareira)

Te Whānau O Waipareira (Waipareira), one of New Zealand's largest multi-sector Māori service providers, has been integrating an outcomes-focused approach into not only its strategy and systems but also its culture.

As with YMCA Victoria, Waipareira's first step in its journey to embedding an outcomes-focused approach began defining with a logic model. Waipareira brought more than 50 staff together to identify the changes it hoped to achieve for its participants across the organisation. This in itself was a significant shift for the organisation, opening the conversation from its divisional structure (health, education, social and justice) to a cross-organisational focus on the key demographic groups it serves (children, youth, adults, and families).

"[We] wanted to re-imagine the way we support whānau [family] by moving from a funder-centric outputs approach towards a whānau-centric outcomes approach." Awerangi Tamihere, Director of Strategy & Design Thinking for Outcomes

The senior management noticed that staff were more excited about talking about outcomes than they ever were about the contractual outputs they were required to measure for funders, and that thinking about outcomes allowed them to see how different services fit together.

"I don't know numbers, but I sure know outcomes." Vivian Cope, staff member

To embed the outcomes-focused approach, Waipareira decided to start small by focusing on just the cluster of services for children, recognising that organisational change can be overwhelming otherwise. They have defined 10 key outcomes and indicators for these services (the 'Tamariki [children] 5' and the 'Whānau [family] 5'), which have become both the basis of data collection and reporting as well as a simple yet powerful narrative of change.

### Sources

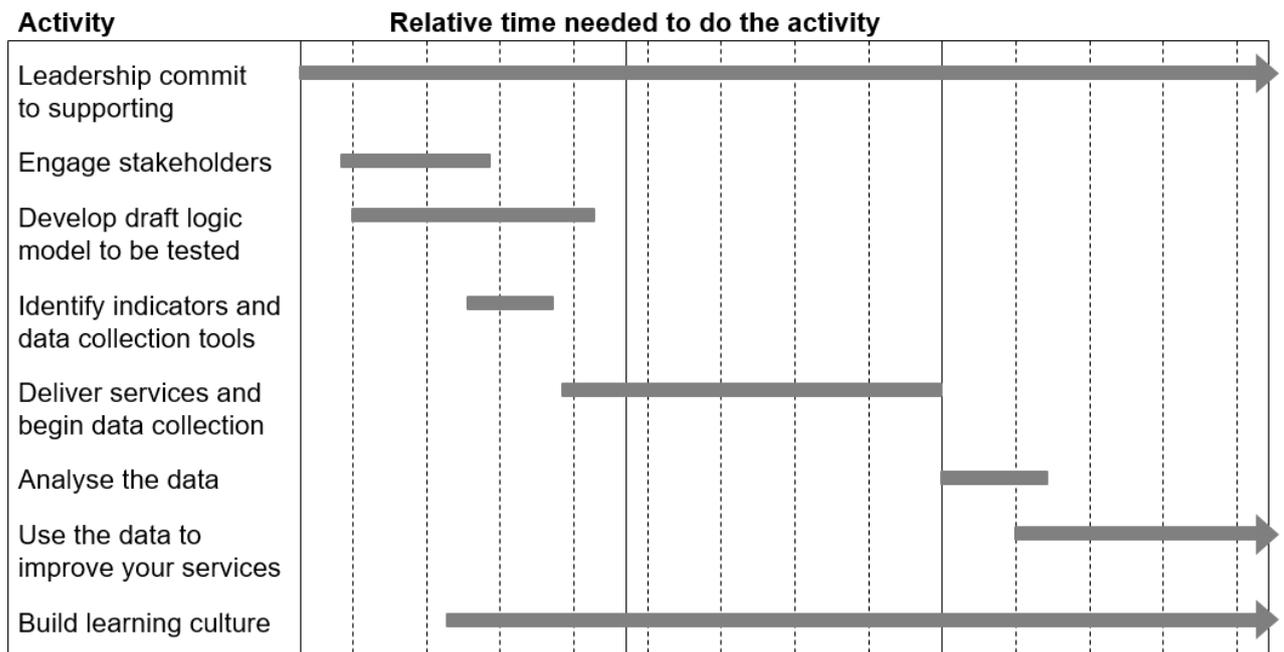
Jon Myer, How culture grows effective outcomes. SVA Quarterly. 14 December 2015.



### 7.3 What takes the most time?

Changing your management approach to focus on the outcomes that will lead to meaningful change takes time. When the right systems are in place, and the necessary people are supportive, an outcomes-focused approach can result in disciplined tracking, rigorous evaluation, informed decision-making and material, measurable and sustainable benefit for people in New South Wales.

The following chart shows the relative time needed to do each activity required in an outcomes-focused approach.



For more information on how government agencies and NGOs can support and embed a culture of continuous improvement see [Section 11.1](#).



## 8. Working together to achieve outcomes

In this section you can learn more about how the Human Services Outcomes Framework and an outcomes-focused approach can facilitate a collaborative approach to achieving a lasting, positive difference in the lives of people in NSW.

### 8.1 Why collaborate?

Collaboration can increase the efficiency and effectiveness of service delivery and result in more sustainable meaningful impact.

Human services respond to the complex, multi-faceted, challenges that people face. Unsurprisingly, the best solutions to these needs are multi-faceted. Issues in the sector often have different levers that could be pulled by different agencies or NGOs. At the same time, the individuals who receive human services often have multiple complex needs requiring difference services. Because of this, the outcomes one agency or organisation is able to effect might be dependent on the outcomes of another. For example, a school's ability to support a young person to achieve their educational goals might be dependent on the health department's success in responding to that young person's mental health issues.

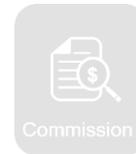
The complex challenges that human services must respond to makes the sector open to a collaborative approach, even if it is sometimes difficult to do in practice. The benefits of a holistic approach to individuals, families and communities can be significant, as seen in the Waiparera example.

### 8.2 How does the Framework to support collaboration?

#### 8.2.1 Encouraging agencies and NGOs to work towards the same goal

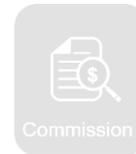
The Framework provides sets out the shared human services priorities of agencies in NGOs in NSW. This encourages collaboration:

- **within agencies** - an outcomes-focused approach allows agencies to have greater clarity around what they want to achieve. Agencies can better draw on the skills and services offered by colleagues to address the needs of the individual.
- **between agencies** - The Framework encourages agencies and NGOs to think about how their efforts contribute to long-term outcomes that are outside their direct control. For example, how does housing contribute to education or health outcomes? How does health contribute to empowerment outcomes? If all agencies and NGOs recognise the direct and indirect impact of their activities, they may



discover more opportunities to support each other in achieving their goals. All parties can work together to tackle the same issue.

- **between those who fund services and those who deliver services** - a focus on outcomes is a way of better aligning the objectives of those who fund services, and those who deliver services. The Framework invites funders and service providers to work together to develop the most effective ways of achieving sustainable outcomes. See [Section 9](#) for more information on commissioning for outcomes.
- **between those who deliver services and communities** - a focus on outcomes supports more holistic and innovative responses to achieving the outcomes communities say that they want. The Framework proposes the long-term outcomes that services should aim for, but leaves open the short and medium-term outcomes. These outcomes can be co-designed with communities to ensure services are responding to the needs and wants of the community.
- **between those who deliver services and individuals** - an outcomes-focused approach lends itself well to co-designing services with the individual and working with that customer to achieve the outcomes that they want. It supports strengths-based, goal oriented service delivery which makes the customer an integral part of solving the problem. When an individual has helped determine the outcomes, they will be more invested in achieving those outcomes, thereby activating a valuable resource.



## Aboriginal Affairs NSW: Local Decision Making

Local Decision Making (LDM) is an Aboriginal Affairs NSW initiative that seeks to empower Aboriginal people to take a greater role in the design and delivery of services in their communities, promoting self-determination. It is hoped that as a result of Aboriginal communities and government working together, Aboriginal communities are able to have more control over what services are delivered and how, and ultimately become responsible for funding and delivering services.

Central to LDM for each region is the establishment of an Accord, a formal negotiated agreement by which the community sets its own priorities for investment and service negotiation. A 2015 evaluation of the Murdi Paaki LDM accord negotiation sheds some light on lessons for collaborating with communities.

Key strengths of the process included:

- The strong leadership of the Murdi Paaki Regional Assembly (MPRA) negotiating panel, in particular the small size of the assembly and the clear authority they had to make decisions and sign the Accord on behalf of the MPRA
- Having an independent facilitator to level the playing field in negotiations, guide discussions, set the scene, and establish the rules of engagement
- Having NSW Government agency and department representatives with the authority to make decisions on the spot. This came later but was critical to the success of the Accord negotiation

In retrospect, key opportunities for improvement included:

- Ensuring government representatives have adequate authority to negotiate outcomes
- Better preparing government representatives with support and information ahead of time, and ensuring the project is 'sold internally'
- Emphasizing and focusing on developing innovative and holistic solutions. Additional or seed funding would be ideal but even in its absence, it is worth considering how agencies and departments might pool funds and re-design services to approach problems in new ways
- Clarifying roles and expectations, and building capacity where needed, including drawing on independent advice as appropriate

### Sources

OCHRE, Local Decision Making: Fact sheet. August 2015.

<http://www.aboriginalaffairs.nsw.gov.au/pdfs/OCHRE/LDM-Fact-Sheet-V2-August-2015-clean-copy.pdf>

OCHRE, Local Decision Making Infographic.

[http://www.aboriginalaffairs.nsw.gov.au/pdfs/OCHRE/LDM\\_infographic4.pdf](http://www.aboriginalaffairs.nsw.gov.au/pdfs/OCHRE/LDM_infographic4.pdf)

Cultural & Indigenous Research Centre Australia (CIRCA), Murdi Paaki LDM Accord Negotiation Evaluation. 3 June 2015.

## 8.2.2 Encouraging agencies and NGOs to operate as an ecosystem

After determining which long-term outcome(s) an agency or NGO is working towards, they should then consider how the long-term outcome(s) will be achieved for a person. Will it be solely a consequence of the activities that that agency or NGO delivers? Or are there many interrelated activities that will contribute to the change?



Agencies and NGOs should seek to understand the ecosystem that they and their clients operate in. This helps the agency or NGO to better understand its role in achieving the desired change and the complementary support needed to address other needs before, after, or alongside your agency or organisation’s program.

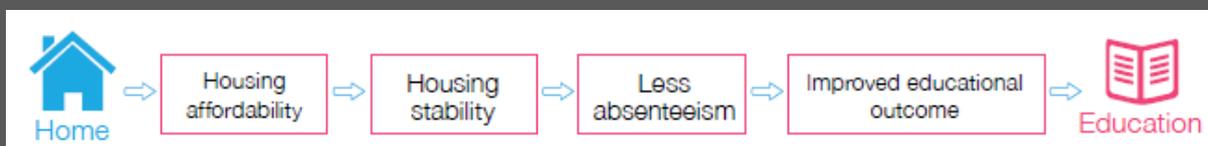
FACS has mapped the ‘impact pathways’ between the seven Outcome Domains in the Framework to better understand the housing ecosystem.

### New South Wales Government Department of Family and Community Services (FACS): Measuring Social Housing Outcomes

Drawing on the Human Services Outcomes Framework, FACS has developed an outcomes framework for social housing in order to understand the widespread impact its social housing programs are having on tenants and service-users’ wellbeing.

To identify appropriate outcomes and indicators that represent the breadth of the impact that social housing can have, FACS undertook a rapid review of academic and grey literature on social housing and wellbeing. They identified key capabilities and outcomes that are likely to be achieved through providing social housing. These capabilities and outcomes were mapped in a series of ‘impact pathways’ that articulate the conceptual linkages between social housing and outcomes in different outcome domains.

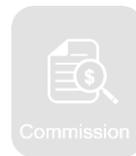
For instance, the following “home to education” pathway articulates how social housing can have an impact on education:



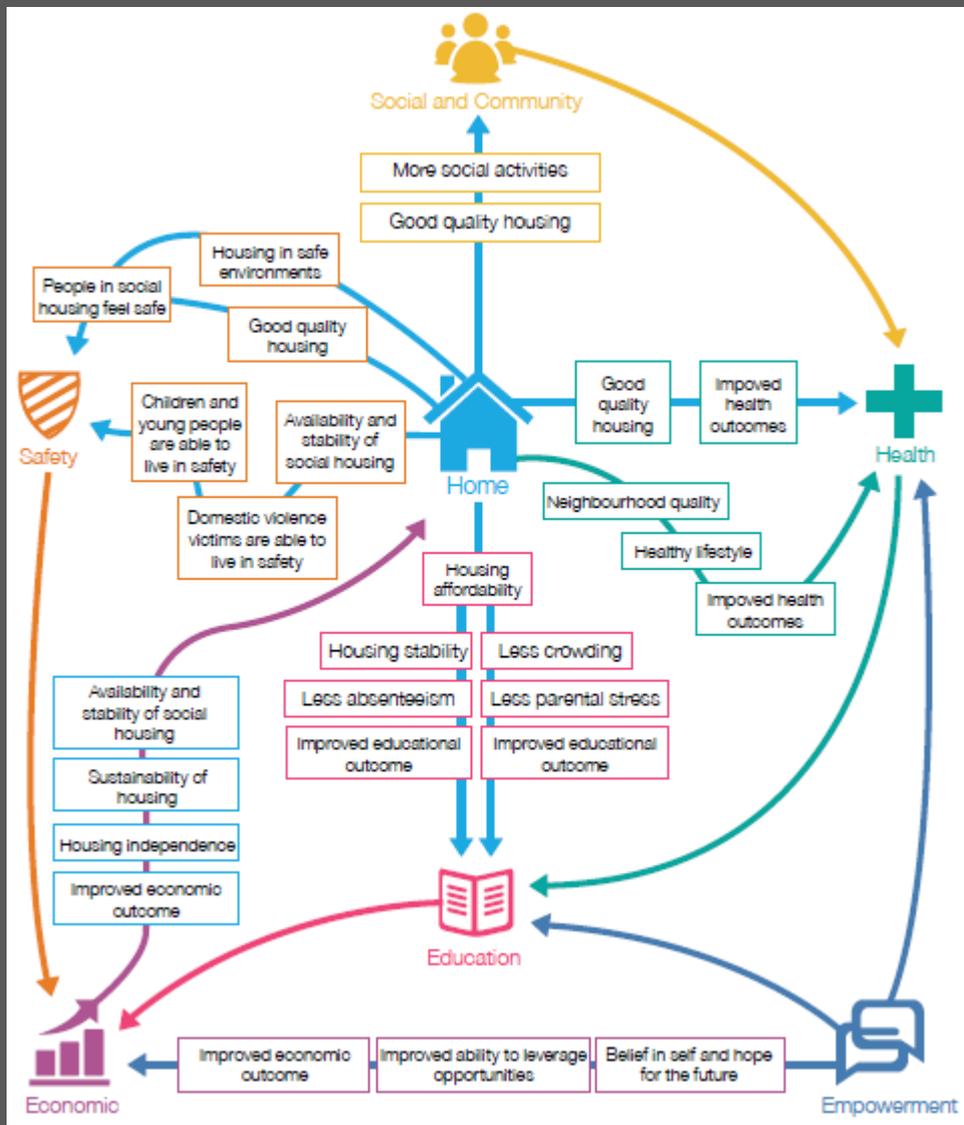
Specifically:

- Housing affordability impacts housing stability as people tend to move around in the pursuit of affordable housing
- Improved housing stability in turn influences school absenteeism in that if multiple movements are avoided less school days are missed
- Lower absenteeism in turn impacts on educational outcomes e.g. exam results, likelihood of attainment of good educational outcomes etc.

This then formed the basis of appropriate process, impact, and outcome measures associated with this pathway.



The full outcome model for social housing is provided below:

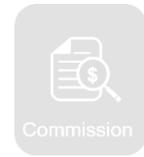


This model is currently being integrated into policy and program evaluation and ongoing monitoring, for example, for the Future Directions program.

Source  
 NSW Government Department of Family and Community Services (FACS), Measuring Social Housing Outcomes. May 2016.

As demonstrated by the FACS example, understanding the impact pathways can:

- build a common understanding of how working towards outcomes in one domain can contribute to the achievement of outcomes being sought in other domains



- highlight that a failure to achieve outcomes in one domain can undermine efforts in other domains.

This understanding is important at both a conceptual level (e.g. improved housing can lead to better educational outcomes) and at a specific pathway level (e.g. improved housing stability can lead to reduced absenteeism, which can in turn lead to better engagement in school and improved educational outcomes).

Such an understanding can contribute to:

- Program improvement and redesign: understanding the interconnections might reveal that an existing program needs to be redesigned to better target other outcomes. This might be as simple as improving referral pathways between specific programs and NGOs, or it might require a more holistic redesign of how a program engages with individuals through a more co-ordinated or collaborative approach.
- Strategic Planning: as in the FACS example, understanding the interconnections might inform higher-level planning for a service area, driving behaviours across agencies and NGOs.

### 8.3 How do you collaborate?

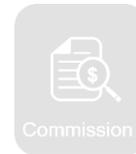
There are many useful guides available to support your collaboration efforts. The research report and collaboration blueprint prepared for the NSW Public Service Commission [Collaboration between sectors to improve customer outcomes for citizens of NSW](#) identifies the actions an agency or NGO needs to take in order to collaborate.

It covers four key activities:

- Agree on the objectives on which the parties to the collaboration are aligned
- Establish the right environment for collaboration
- Determine the type of collaboration you want to do
- Design the collaboration

### 8.4 Establishing shared measurement

Section Six discusses how outcomes can be measured. It is important when agencies or NGOs collaborate, that they agree to a shared measurement approach. The NSW Family Services case study below provides some advice for shared measurement approaches.



## NSW Family Services (Fams): Measuring shared outcomes across funding streams

Fams has been working with 16 Brighter Futures Lead Agencies across NSW and 10 Child and Family Services (CYFS) to test the use of a shared outcomes framework across funding streams.

The decision to shift toward a shared outcomes framework was motivated by two factors:

1. Many organisations were already collecting significant amounts of data for funders, but the data did not help them understand whether or not they were achieving actual outcomes (results) for their clients
2. Funders reported that the data they received were inaccurate and therefore were not useful for informing programming decisions and reporting effectively to Treasury

Fams has learned a few lessons along the way about what makes a good measure in a shared outcomes framework.

### *Avoid measures that are too specific*

CYFS programs are required to ask all families, 'Have your parenting skills improved as a result of the program?' However, while all programs support parents on their parenting skills, the programs are incredibly diverse and parenting skills may not necessarily be the primary area of need for the family.

A focus on parenting skills therefore does not accurately capture the full impact programs are having, for instance, what impact the programs are having on other areas of need.

### *Avoid unclear language*

In order for data to be useful across multiple organisations and services, the indicator must be interpreted and collected in the exact same way.

Initially, Brighter Futures organisations were collecting '% of families who have achieved case plan goals at exit.' However, because the indicator is subjective, it is difficult to make this data meaningful. What does it mean to have achieved case plan goals? Does this mean achieving all case plan goals or most? How difficult were the case plan goals to begin with? What happened after?

### *Tips for moving forward*

- Defining indicators
  - It takes time to define performance expectations and implement consistent and appropriate measures but it is also critical to ensuring meaningful data
  - Consult with service providers on what data will be collected and communicate the purpose clearly
  - Limit the number of mandatory shared measures and give service providers room and autonomy to develop additional measures meaningful to their own quality improvement. A one-size fits all approach doesn't work
- Collecting and analysing data
  - Make sure each organisation is clear on what they are collecting and on the definitions
  - Make sure each organisation agrees to capture data regularly
  - Analyse the data regularly for insights to improve programming
- Continuously improving
  - When analysing the data, also consider whether the data being generated is useful. What should we continue collecting? What should be added, removed, or changed?

### Source

Fams, Measuring Shared Outcomes Across Funding Streams

## 9. Commissioning for outcomes

### 9.1 What is commissioning for outcomes?

Commissioning and contestability are key tools available to government to optimise service delivery outcomes. They embody a customer centric approach to service delivery that positively challenges current ways of working by seeking innovative ways to improve quality, productivity and access to services.

The NSW Government's Commissioning and Contestability Policy defines commissioning as 'an approach to considering the outcomes that need to be achieved, and designing, implementing and managing a system to deliver these outcomes in the most effective way. It leverages the strengths of the public sector and where appropriate, involves private and non-government organisations and individuals to transform outcomes for individuals'.

Under a commissioning approach, agencies are expected to shift from managing inputs and outputs to managing for outcomes. Commissioning looks at what is needed, how those needs are best met, and the most appropriate mode of delivery.

Procurement and contracting are key elements of the commissioning cycle. Outcomes based contracting is a mechanism for linking funding to the achievement of outcomes when contracting with NGOs.

### 9.2 Outcomes-based contracting

There is a spectrum of funding and contracting models that can represent a transition to outcomes-based contracting, each with specific contract, provider and commissioning features. This is summarised below and described in more the detail in the Commissioning and Contestability Practice Guide.

<b>Block funding</b>	<b>Payment for inputs</b>	<b>Payment for outputs</b>	<b>Payment for performance</b>	<b>Payment for outcomes</b>
Payment lined to historic funding or needs based population serviced	Payment linked to resources (labour, material, facilities) used to deliver services	Payment linked to end products or services	Payment linked to intermediate outcomes i.e. short / medium outcomes that contribute to longer term benefits	Payments linked to intended impacts of service on customers and the community
Prospective – to cover input costs	Prospective – to cover costs	Retrospective – payment contingent on achieving certain	Retrospective – payment contingent on achieving certain	Retrospective – payment contingent on achieving outcomes

		performance-based outputs	performance-based outputs criteria	
--	--	---------------------------	------------------------------------	--

### *Payment and Funding Models*

The Commissioning and Contestability Practice Guide includes a 'how to' reference guide for agencies and practitioners. It also outlines a six stage process, of which the first three are consistent with developing a logic model to define outcomes. Each stage is covered in detail in the Practice Guide, identifying key questions and discussing purpose, objectives, considerations and approvals at each stage.

Alternative funding and payment models will need to be considered when commissioning for outcomes because traditional bulk-funded services are not usually tailored to delivering outcomes. They have often been linked to historic funding or needs based services covering input costs.

An outcomes-based contracting model will likely involve a degree of funding linked to the achievement of outcomes whether intermediate or final, and a degree of retrospective payment (or some other mechanism for sharing outcome risk).

The NSW Government is developing a standard contract template, the NSW Human Services Agreement, which will make it easier for NGOs to do business with government by introducing a streamlined and consistent contract. Within the funding and service schedule of the contract, performance and outcomes measures will need to be identified. The measures should be focussed on outcomes consistent with the Framework. A revised version of the standard contract will be available in 2017 on ProcurePoint.

At one end of the spectrum is social impact investment which often brings together capital and expertise from the public, private and not-for-profit sectors to achieve a social objective.

Social impact investments come in different forms, including (but not limited to):

- **Payment-by-results (PBR) contract** – a service provider is paid on the results they achieve
- **Social benefit bond** – a financial instrument that pays a return based on achieving agreed social outcomes. This is a special type of PBR contract
- **Layered investment** – combines different types of capital in non-traditional ways
- **Outcomes-focused grant** – non-repayable grant funding provided on the basis of measuring outcomes. May also be used as a guarantee.

Typically, the commissioning agency would define the specific outcomes they are seeking within a funding envelope, rather than designing or specifying the service delivery model itself, e.g. the outcome specified might be improved educational outcomes or reduced recidivism for a defined cohort. Interested service providers then submit their proposals and one or more could be selected based on a pre-determined selection criteria. In

implementing the social impact investment program, the amount of the commissioning agency's outcome payment to a service provider (and investors where appropriate) varies according to the service provider's performance in achieving the pre-agreed outcomes.

This is a significant change from the traditional grant funding approach, where input and output delivery is the focus. Using the social impact investment model, it is critical that outcomes are clear, measurable and robust.

Australia's first social benefit bond was the Newpin Social Benefit Bond, launched in 2013. It is profiled below.

### **Newpin Social Benefit Bond - Australia's first social benefit bond reports strong results for third year running**

Australia's first social impact bond, the Newpin Social Benefit Bond (Newpin SBB) reported positive results for the third year in a row, having helped restore 130 children in care to their families and prevented 47 children from entering the out-of-home care system.

The overall restoration rate for children achieved during the first three years of the program is 61%. The SBB will pay a return to investors of 12.15% pa.

The Newpin SBB is financial partnership between the NSW Government, Uniting, and Social Ventures Australia (SVA) that has funded the expansion of the Newpin program. Newpin works with parents to create safe and nurturing family environments to so that children can be restored from out-of-home care, or prevented from entering care in the first place. As at 30 June 2016, there were five Newpin Centres in Sydney and on the Central Coast, with further centres planned to open over the life of the Bond.

The Newpin SBB is underpinned by an outcome-based contract between the NSW Government and Uniting, under which some of the government savings that result from the success of the Newpin program are paid to Uniting. Investors have provided capital to Uniting to fund the operation and expansion of the program, and receive a return based on the proportion of children restored to their parents.

Ian Learmonth, Executive Director of impact investing at SVA commented: 'The positive social and financial returns from the Newpin SBB, for a third year in a row, demonstrate the benefits the approach can bring to government, service providers and investors alike. The outcomes focus required by the bond mechanism is also helping build a strong evidence base for the Newpin restoration approach, which is beginning to inform broader child protection reform priorities.' 'We look forward to working to progress other social impact investments being driven by the NSW government in the areas of mental health and supporting vulnerable young people to transition to independence.'

Bob Mulcahy, Uniting's Director of Resilient Families said being involved with the social impact bond has helped Uniting build an evidence base on Newpin which confirms, with the right support, innovative approaches can achieve important results for families. 'Newpin equips parents with an understanding of their children's emotional, physical and educational needs and of how their own behaviours impact their children. It takes hard work and commitment from parents to overcome their challenges, most often stemming from their own early experiences of trauma and abuse,' he said.

## 9.3 Outcomes-focused performance monitoring and management

### 9.3.1 How to set performance expectations

The first step in implementing an outcomes-focused approach to performance monitoring and management is defining the scope of services and then setting performance expectations. Where possible, performance expectations should be defined and set in collaboration with the service providers and other key stakeholders.

Outcomes-focused performance monitoring and management extends the focus of traditional performance management to incorporate outcomes *alongside* inputs and outputs, not at their exclusion. The continued measurement of inputs and outputs is still critically important as these metrics provide minimum standards of performance and enable service providers and commission agencies to 'prove up' the impact model.

### 9.3.2 The performance management process

The Guidelines on high performance in NGO delivered human services includes principles to guide the way agencies and human services NGOs:

- **assess and monitor performance** - agencies and NGOs need to be clear about the performance management process at the start of the contract. This includes roles and responsibilities, how capability improvement will be supported, how regularly the parties will meet, what is expected at each meeting, how performance will be assessed, processes for managing performance issues, and who will be involved.
- **measure success and track outcomes** - measures of success are important to understand how value is being delivered. They should primarily focus on outcomes and can include qualitative measures about how customers feel because of the service. These measures should be agreed, and potentially co-designed, with agencies and NGOs; reflect the value and risk in a contract; take into consideration any reporting and data collection requirements; be reviewed regularly; and have an agreed improvement trajectory.
- **manage NGOs not achieving service targets** - many agencies have their own processes and systems for managing NGOs that are not achieving service targets. NGOs will be advised of this when they are awarded a contract.

See Section [10.2 \(h\)](#) for further information.

### 9.3.3 Unsolicited proposals

In some circumstances, and in line with specific eligibility criteria, NGOs can use the unsolicited proposals process to approach government with innovative infrastructure or service delivery solutions where the government has not requested a proposal and the proponent is uniquely placed to provide a value-for-money solution. The [Unsolicited Proposal Guide](#) sets out the requirements.



# 10. Interaction with other initiatives

## 10.1 Background

The Framework interacts with a range of other important NSW Government initiatives. In principle, managing for outcomes is consistent with the intent of each of these initiatives.

There are definitional distinctions made in the approach of managing for outcomes that are more specific than definitions used in some of these other initiatives. The definition of 'outcome' is one important example.

This section these initiatives, identifies the alignment with managing for outcomes and summarises the key definitional differences.

## 10.2 Other initiatives

### 10.2.1 Human Services Data Hub

The Human Services Data Hub (the Hub) is a multi-cluster initiative to share data about the agreements for delivery of human services funded by NSW Government overlaid with demographic data from the Australian Bureau of Statistics. It is a business intelligence tool which enables aggregated data to be visualised, analysed and cross referenced to other datasets developed under the common approach to Information Management.

The Hub allows agencies to identify human services delivered across NSW by service classification, service provider and service delivery location in a secure online portal. This can help agencies to identify areas of overlap or service need, and common relationships with providers.

Agencies can use the Hub to inform collaboration across programs, agencies and NGOs. The data collected may support the measurement of indicators, particularly under common standards and approaches to data management.

### 10.2.2 Data Analytics Centre

The NSW Data Analytics Centre (DAC) facilitates data sharing between agencies to inform more efficient, strategic, whole-of-government evidence based decision making. It does that by leveraging internal and external partnerships so that the right capabilities, tools and technologies are applied.

The DAC provides an opportunity to develop and use relevant data bases for the definition and measurement of outcomes as defined under programs operating within the Framework. The coordination of consistent data management definitions and standards will be useful if applied across government.

### **10.2.3 Financial Management Transformation Program**

The Financial Management Transformation (FMT) Program's vision is to create a world-class financial management framework for NSW that will support high quality resource management and performance now, and into the future.

FMT will deliver a single platform for consolidating and handling financial information through a modern IT system. This will enable better insights in order to more effectively manage and deliver value from the State's \$73 billion spend.

Treasury created the FMT Program to drive financial management reform in NSW. FMT aligns closely with the NSW whole-of-government values by delivering: Excellence through strong governance; accountability through measurable performance; integrity through reliable and transparent information, and trust through improved capabilities and relationships.

A key element of FMT is the adoption of program budgeting and reporting to improve government decision making by focusing on program performance and value for money. The introduction of program budgeting will provide the ability to align each individual program with overarching government or agency priorities, mandating instruments or outcomes.

NSW Treasury will develop an evaluation framework to support program budgeting and reporting. Managing to outcomes can provide a basis to feed into any evaluation framework that would support program budgeting and reporting.

### **10.2.4 NSW Government Commissioning and Contestability Policy**

The Commissioning and Contestability Policy identifies principles to guide commissioning of services. A Practice Guide provides the foundations for a consistent understanding of commissioning and contestability, and the key steps and considerations involved when commissioning and contesting services. The guide identifies a number of funding and contracting approaches, ranging from block funding to payment for outcomes, describing the differences between each approach.

Commissioning of services should focus on improving outcomes and delivering quality services, regardless of organisational boundaries and constraints. The description of payment for outcomes covers contract features, provider requirements, commissioning features, market features and case studies.

### **10.2.5 Social impact investment/Social impact bonds**

Social Impact Investing seeks to generate social impact alongside financial return. It is an emerging approach to tackling social challenges that brings together capital and expertise from across the public, private and not-for-profit sectors.

Social impact investment combines the following attributes:

- Outcomes – measuring and paying on outcomes
- Innovation – setting incentives and removing input controls for services
- Prevention – shifting spend away from high cost acute services to prevention
- Partnerships – sharing of risks and benefits across the government and nongovernment sectors.

The definition and approach to outcomes used in this initiative aligns directly to the Framework and approach to managing to outcomes. The Office of Social Impact Investment works to grow the social impact investing market in NSW.

### **10.2.6 Guidelines for engagement with NSW human services non-government organisations**

The Guidelines for Engagement set out the overarching values and principles for effective engagement between Government and the NGO sector. The values and principles should be applied by agencies during the planning phase of all engagement activities and used periodically to test the effectiveness of engagement.

The Framework promotes cross sector collaboration through recognition of the interrelationship between the different Outcome Domains. The Guidelines encourage agencies to consider how they can collaborate with other agencies to undertake a coordinated approach to engagement that can provide a more holistic response.

### **10.2.7 NGO Benchmarking Model**

The NGO Benchmarking Model is designed to build capability in the NGO sector and drive a cycle of continuous improvement. It will help NGOs delivering human services to embed robust, customer-centred principles into their operations to deliver efficient, high quality and innovative programs and services.

Many of the principles articulated in the Benchmarking Model build NGO capability in evaluating the impact of programs. Customer centricity, evaluation and iterative improvement in the Benchmarking Model are consistent with embedding the outcomes-focused approach set out in this document.

### **10.2.8 Benefits Realisation Management Framework**

The Benefits Realisation Management Framework provides guidance on best practice principles and concepts in setting up and managing programs. It provides a standard approach for benefits realisation management for anyone not familiar with the subject matter, including definitions of terminology and benefits categorization.

The benefits realisation principles align with the approach and definition of outcomes in the Framework. Benefits are identified as needing to first be understood as outcomes.

The meaning attributed to 'outcome' is consistent with, but simpler than, that used by the Framework.

### **10.2.9 NSW Government program evaluation guidelines**

The Program Evaluation Guidelines are designed to help agencies to conduct consistent, transparent and high quality evaluations of NSW Government funded programs. All agencies are expected to conduct their evaluations in line with the principles and standards outlined in the Guidelines and the Evaluation Toolkit.

The Guidelines identify that program effectiveness is measured against outcomes wherever possible and that outcomes represent the highest level of result that is measured. This is consistent with the approach and definition of outcomes in the Framework.

The meaning attributed to 'outcome' is consistent with, but simpler than, that used by the Framework.

### **10.2.10 OCHRE initiatives**

OCHRE is the NSW Government's plan for Aboriginal affairs. OCHRE's major initiatives include Aboriginal Language and Culture Nests, Industry Based Agreements, Local Decision Making and Opportunity Hubs. Local Decision Making is an initiative of OCHRE that has established a process to enable Aboriginal people to take a greater role in decision-making, so that the design and delivery of services can be shaped by a genuine understanding of Aboriginal communities and their aspirations for the future

The OCHRE Evaluation Framework refers to an outcome evaluation that will determine whether each initiative is achieving what it set out to do. It will identify and assess the changes experienced by participants and key stakeholders following their involvement. This approach to evaluation of outcomes aligns with the approach described for the Framework.

## **10.3 Definitions**

It is important to note that there are definitional differences across initiatives. This may lead to misunderstanding between individuals, agencies and NGOs. A table comparing the definitions for outcome, output and evaluation is provided as Appendix H.

# 11. Where do I find more information

## 11.1 Other information sources

*The Urban Institute: Key Steps in Outcome Management*

*Centre for Social Impact: The Compass*

*Mario Morino: Leap of Reason*

*Social Ventures Australia:*

*Managing to Outcomes: what, why and how?*

*Finding the Golden Thread - A New Approach to Articulating Program Logic*

*How culture grows effective outcomes*

*Look before you leap into buying outcomes management software*

*Harvard Family Research Project Evaluation Exchange: Evaluation Methodology: Eight Outcome Models*

*ARACY (2009) Measuring the Outcomes of Community Organisations. ARACY*

*Carnochan, S et al (2013) 'Performance measurement challenges in non-profit human service organisations'. Nonprofit and Voluntary Sector Quarterly, vol.43(6).;*

*NCVO (2013) The Code of Good Impact Practice. Inspiring Impact;*

*Flatau, P, Zaretsky, K, Adams, S, Horton, A & Smith, J (2015) Measuring Outcomes for Impact in the Community Sector in Western Australia. Social Impact Series Issue #1. Bankwest Foundation.*

## 12. Appendices

### Appendix A – Additional definitions of terms

<b>business continuity plan</b>	plan to continue operations if a place of business is affected by different levels of disaster such as: <ul style="list-style-type: none"><li>• localised short term disasters</li><li>• multiple day-long, building-wide problems</li><li>• permanent loss of a building</li></ul>
<b>cohort</b>	group of people or things with a shared characteristic
<b>community participation</b>	process that enables the community to contribute to debate and decision-making about an activity, including: <ul style="list-style-type: none"><li>• planning, implementing, managing and evaluating services</li><li>• identifying issues and ways of addressing them</li></ul>
<b>continuous improvement</b>	leadership and management method that continually assesses and improves quality
<b>culture</b>	range of behaviours, ethics and values that are practised and reinforced by a person, group or organisation
<b>cultural awareness</b>	understanding of the customer's cultural values, beliefs and needs, including gender, age, race, socioeconomic status, religion, sexual orientation, disability and lifestyle
<b>customer</b>	person or organisation receiving products or services from, or dealing directly with, a supplier, voluntarily or involuntarily, including: <ul style="list-style-type: none"><li>• consumers, users, guests, patients, purchasers, members and stakeholders (both internal and external)</li><li>• those who must take part by law</li></ul>
<b>effectiveness</b>	ability of a process, product or service to meet the needs of a customer
<b>efficiency</b>	degree to which the resources needed to achieve an output are used

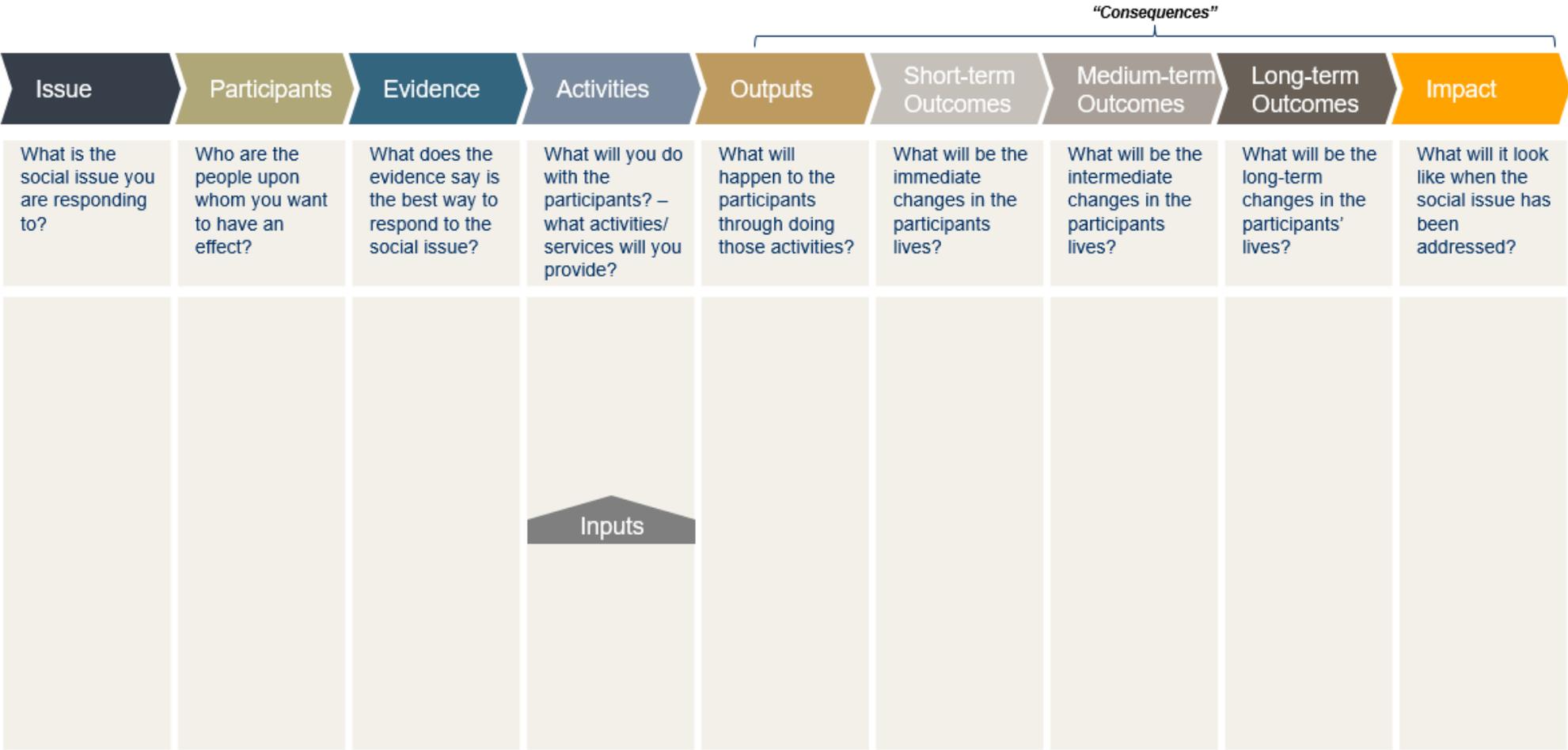
<b>emergency plan</b>	plan for dealing with and mitigating the risk of a range of emergencies, such as bomb threats, natural disasters, electricity failure and aggression
<b>equity</b>	creation of services that recognise and value difference among customers: <ul style="list-style-type: none"> <li>• giving all potential customers access</li> <li>• allowing quality participation</li> <li>• delivering successful outcomes for disadvantaged groups</li> </ul>
<b>evaluation</b>	process of judging the effectiveness of a program or service, usually against set goals, objectives and strategies
<b>goals</b>	desirable end points or achievements used to guide planning, allocate resources, and monitor and evaluate the impact of services
<b>governance structure</b>	structure with ultimate accountability for the service, such as a board, a management committee or the executive level of a government agency
<b>information</b>	data processed in a way to give it meaning through analysis or interpretation and presentation
<b>innovation</b>	development and application of a new product, service or process that adds value and creates opportunities – vital for economic growth and addressing social challenges
<b>knowledge</b>	state created when relationships shown by information have been tested and refined through experience
<b>knowledge management</b>	process of planning, organising, analysing and controlling data and information, including both digital and paper-based systems
<b>leadership</b>	governing body or management of the organisation that significantly influences a service's performance and culture, and positions the organisation to excel
<b>outcome</b>	result or consequence of a product or service based on its quality, as measured in benefits to customers or stakeholders
<b>risk management</b>	identification, analysis and reduction of possible risks or adverse events to the organisation and its staff, visitors and customers, including strategies and programs to control or finance related losses

---

<b>services</b>	duties, work or activities performed for the organisation by its staff
<b>staff</b>	member or other person authorised to support the organisation in its operations, including paid staff, volunteers, peer assistants and carers
<b>stakeholder</b>	person, group, community or organisation with a legitimate interest, such as target groups, other service providers or funding bodies
<b>values</b>	understandings and expectations of how staff should behave, on which all business relationships are based, such as trust, support and truth
<b>vision</b>	description or image of how the organisation wishes to be in the future

---

# Appendix B – Logic Model template



## Appendix C - External evidence

External evidence is evidence from outside the program you are delivering. For example, it could include evidence of what has worked in a different location to address the same issue you are addressing. External evidence can be used to help agencies or NGOs:

- understand the drivers of better outcomes for that issue
- understand what the short, medium and long-term outcomes might be towards achieving positive impact on that issue
- be informed when deciding how to address the issue in the particular location, for the particular cohort.

Gathering evidence of what has worked and, importantly, what has not worked, can help to refine your thinking about how change is likely to happen as a consequence of a program. External evidence can be used in the process of developing a Logic Model to help an agency or NGO determine which activities to deliver to address an issue.

Evidence can be defined as the available body of facts or information indicating whether a belief or proposition is scientifically true or valid. A search for evidence should begin with getting clarity around the question you are trying to answer. Evidence collection should include a review of available literature and studies that are clearly aligned to the question you are trying to answer. You should avoid the temptation of relying on seemingly strong evidence (such as a randomised control trial) if the evidence does not specifically answer your question. Weak, but aligned evidence is better than strong, but irrelevant evidence.

Family and Community Services have used evidence to better understand how stable and good quality housing can lead to positive education outcomes as seen in the diagram below:

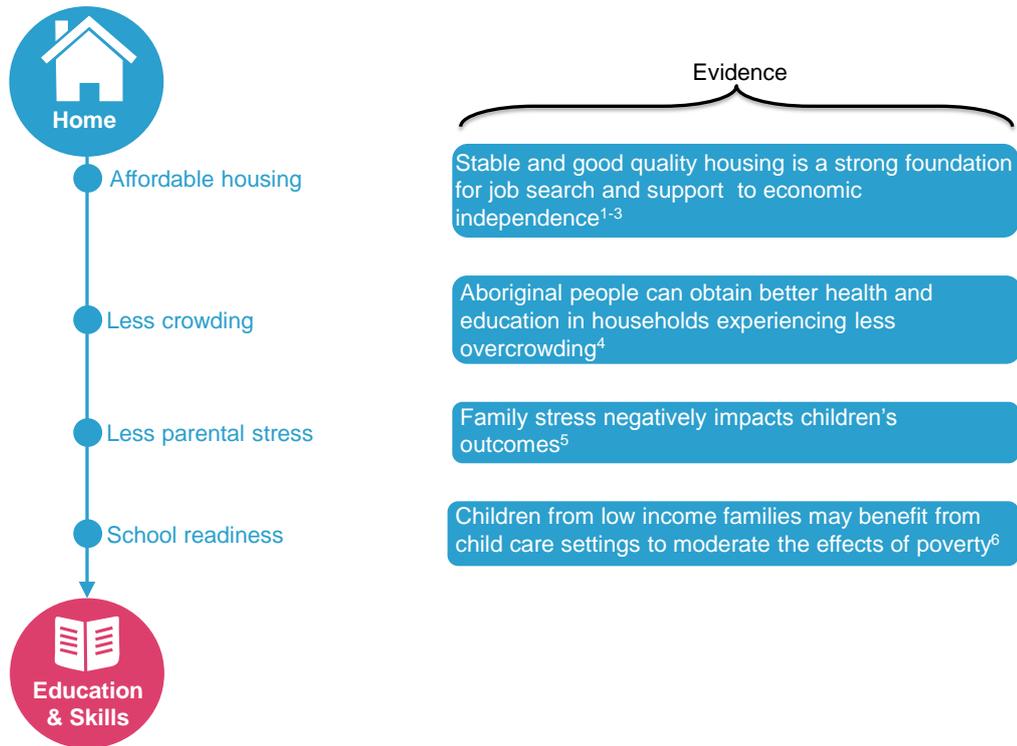
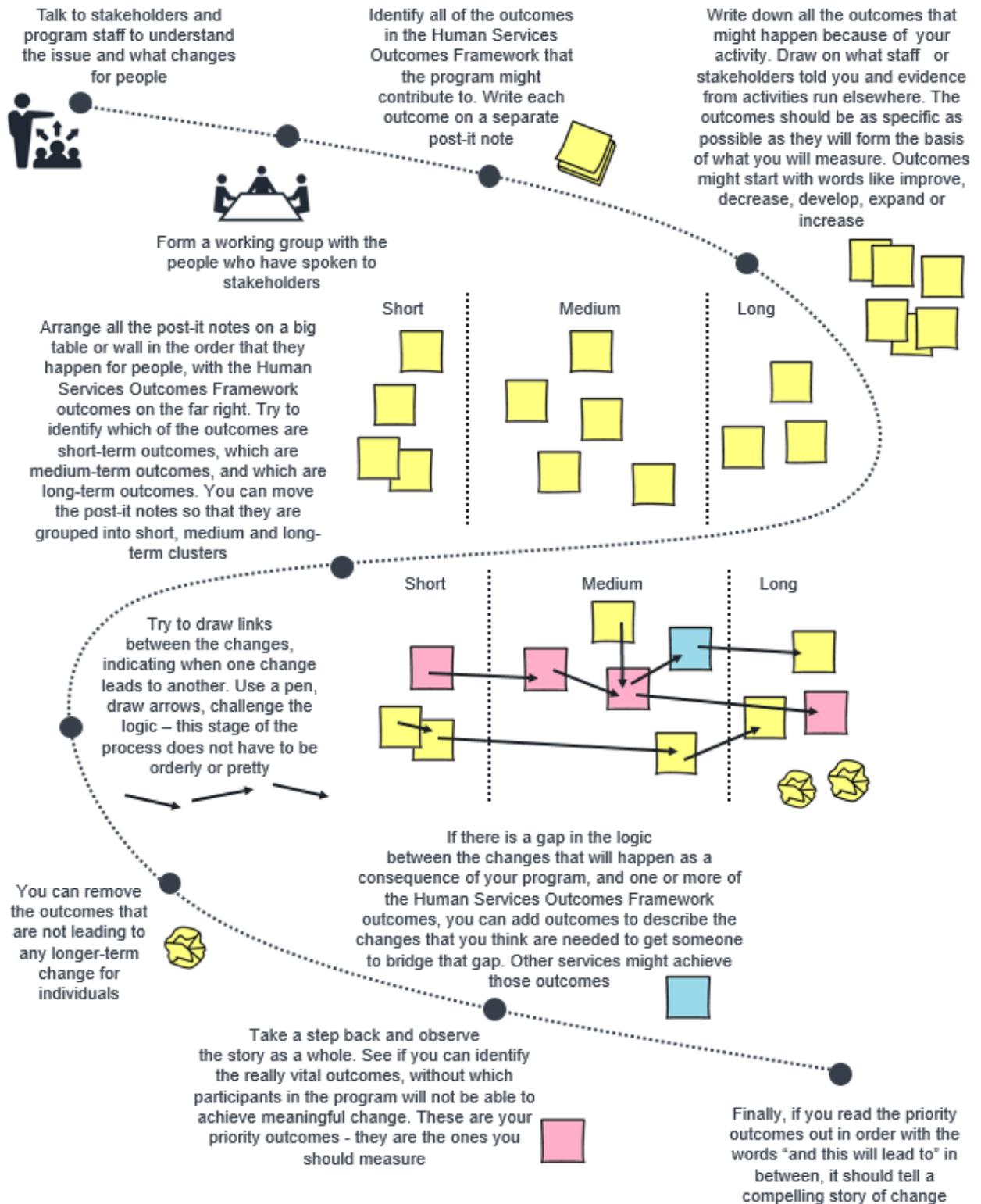


Figure 2: Family and Community Services, Housing to Education and Skills impact pathway

## Appendix D – Logic Model workshop guide



## Appendix E – Criteria when selecting indicators

Criteria	Things to think about
Validity	<ul style="list-style-type: none"> <li>• Does the indicator enable one to know about the outcome?</li> <li>• Does it specifically relate to the expected result or condition?</li> </ul>
Reliability	<ul style="list-style-type: none"> <li>• Is the indicator defined in the same way over time?</li> <li>• Will it reliably return the same result if measured in the same way?</li> </ul>
Timing	<ul style="list-style-type: none"> <li>• What measurement timing is required for intended uses?</li> <li>• Will data be available?</li> </ul>
Resourcing	<ul style="list-style-type: none"> <li>• Is data on the indicator currently being collected?</li> <li>• How can it be collected at minimal cost?</li> </ul>
Credibility	<ul style="list-style-type: none"> <li>• Does the indicator meet the information needs of intended users or stakeholders?</li> </ul>
Observable	<ul style="list-style-type: none"> <li>• Is quantification possible, where required by intended users?</li> </ul>
<p><i>Source: Horsch, 2005, cited in Quillam &amp; Wilson (2011); Olmos-Gallo &amp; DeRoche, 2010; Muir &amp; Bennet, 2014; Campbell, 2002; DHHS, 2016</i></p>	

## Appendix F – Common methods for collecting data to measure outcomes

Method	Overview	Key considerations
Surveys & questionnaires	<ul style="list-style-type: none"> <li>• Tools for eliciting empirical and perception-based data from clients, their families, service providers or other stakeholders</li> <li>• Completed by the respondent themselves through a series of closed questions such as changes in their health or wellbeing</li> <li>• Surveys and questionnaires can be online, paper-based or on a tablet</li> </ul>	<ul style="list-style-type: none"> <li>• Surveys and questionnaires enable the standardised collection of data from large samples, in order to build a quantitative view</li> <li>• Risks include creating a data collection burden on respondents, or negatively impacting client-worker relationships, both of which can undermine outcomes</li> </ul>
Structured interviews	<ul style="list-style-type: none"> <li>• Structured interviews collect perception-based data that are administered by service provider staff, such as a case manager or practitioner – the staff member reads out the questions in a consistent way and records responses</li> </ul>	<ul style="list-style-type: none"> <li>• Administering structured interviews can make it difficult for staff to build the rapport and trust with respondents that is essential to delivering quality services and achieving outcomes. This is a particular risk if interviews are long, or involve collecting sensitive information</li> <li>• Structured interviews are less effective than semi-structured interviews (see below) for capturing qualitative data that can help give a fuller picture of the respondent's situation and what is changing in their life</li> </ul>
Semi-structured interviews	<ul style="list-style-type: none"> <li>• Semi-structured interviews are designed around key themes or areas of inquiry, with suggested lists of targeted and follow-up</li> </ul>	<ul style="list-style-type: none"> <li>• The qualitative data that can be collected through semi-structured interviews can provide richer detail about what outcomes have been achieved, and deeper</li> </ul>

Method	Overview	Key considerations
	<p>questions, that staff can use to collect priority outcomes data</p>	<p>understanding about how and why outcomes have or have not been achieved</p> <ul style="list-style-type: none"> <li>• Semi-structured interviews require specific skills to effectively probe, clarify answers and guide the respondent, while maintaining a conversational flow and building rapport</li> <li>• Data from semi-structured interviews can be harder to access, share, compare and report on than structured survey or interview data; can also be more expensive.</li> </ul>
<p>Client assessment tools</p>	<ul style="list-style-type: none"> <li>• Client assessment tools capture staff's professional perspective and assessment of outcomes (see the example in Box 2). Can also draw on data collected through structured or semi-structured interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Integrates data collection with service delivery functions, which can reduce the burden of data collection</li> <li>• However, client assessment tools emphasise the professional perspective of staff – triangulating with surveys or interviews that capture the respondent's perspective on what is changing for them may be important.</li> </ul>

*Source: Tilbury, 2006 & 2007; ARACY, 2009; Gyateng et al, 2013; NHS, 2017b.*

**Data collection methods – beyond the basics**

No single tool provides a complete picture of the outcomes achieved by a specific program, service or intervention. Surveys and questionnaires enable the standardised collection of data on outcomes – allowing comparisons and analysis across large samples. However, they are typically unable to show the full picture of outcomes and they can also be limited by tracking perceptions of outcomes, rather than an independent or objective measure.

Patient Reported Outcome Measures (PROMs) is an example of how data collection tools are evolving to capture client perspectives on what has been changing for them – outcomes – and not just their experience of service quality.

The Outcomes Star™ is an example of a client assessment tool with a focus on collecting outcomes data. The Outcomes Star™ involves collecting a respondent's perspectives on their status with respect to predefined outcome areas, such as emotional health, social networks, and healthy behaviours. Over 20 different Outcomes Stars™ have been developed for use in different service areas, each with different outcome areas that are specific to the issues and client goals within that service area.

Because each data collection method provides a partial view of outcomes, the literature promotes using a mixed methods approach to address the trade-offs inherent to each method. However, while a mixed methods approach can generate a more comprehensive assessment of the outcomes achieved, synthesising across multiple data sources can generate a more complex picture of outcomes. As such, mixed methods approaches can also require greater skills in data analysis and interpretation, as well as additional resources and investment.

## Appendix G – Data collection template

Priority outcome	Indicator	Questions to ask to get information about the indicator	Person you can ask the question of	Data source	Comparable data source (useful for later comparison against)	Frequency with which you will gather the data	How data will be stored

## Appendix H – Key definitions across various initiatives

Initiative	Outcome definition	Output definition	Evaluation definition
NGO Benchmarking Model	Result or consequence of a product or service based on its quality, as measured in benefits to customers or stakeholders	Not defined	Process of judging the effectiveness of a program or service, usually against set goals, objectives and strategies
Office of Social Impact Investing	<p>The changes that occur for individuals, groups, families, organisations, systems, or communities during or after an intervention. Changes can include attitudes, values, behaviours or conditions. Changes can be short term, intermediate or long term:</p> <ul style="list-style-type: none"> <li>• Short term outcomes – the most direct result of an intervention, typically not ends in themselves, but necessary steps toward desired ends (intermediate or long term outcomes).</li> <li>• Intermediate outcomes – link an intervention's short term outcomes to long term outcomes; they necessarily precede other outcomes.</li> <li>• Long term outcomes (sometimes called ultimate outcomes or impact) – result from achieving short term and intermediate outcomes, often beyond the timeframe of an intervention.</li> </ul>	The direct and measurable products of an intervention's activities and services, often expressed in terms of volume or units delivered	Evaluation is the systematic and objective assessment of the results of an intervention, particularly its effectiveness and efficiency. An evaluation framework details the method for collecting, analysing, and using information to answer questions about an intervention.

Financial Management Transformation	Not defined	Not defined, however, the FMT does refer to programs 'producing outputs that aim to deliver long term benefit for a client or client group'	Not defined
NSW Government Program Evaluation Guidelines	A result or effect that is caused by or attributable to the program	The products, goods and services that are produced by the program	<p>Outcome evaluation – seeks to verify a causal link between pre-defined program activities and outcomes. It identifies the overall positive or negative outcome, and ideally for whom and under what conditions the program is most effective. It is preferable that it also considers any unintended consequences for participants or stakeholders.</p> <p>Process evaluation – investigates how a program is delivered, and may consider alternative delivery processes. It can also be very useful in supporting an outcome evaluation, describing the program's current operating conditions which are most likely to support or impede success.</p>
Benefits Realisation Framework	A result or effect that is caused by or attributable to the program	Not defined	A systematic and objective process to make judgements about the merit or worth of one or more programs, usually in relation to their effectiveness, efficiency and/or appropriateness.
Commissioning and Contestability Policy	The higher order goal that is sought to be achieved for customers or NSW citizens. Sometimes described as a	Not defined	Not defined

	result, an outcome must have a measurable impact.		
Human Services Data Hub	Not defined	Not defined	Not defined
Data Analytics Centre	Not defined	Not defined	Not defined

## **Department of Finance, Services and Innovation**

Address: McKell Building, 2-24 Rawson Place, Sydney

Phone: 02 9372 8877 | TTY: 1300 301 181