FEASIBILITY STUDY - ASSESSING THE IMPACT OF COMMUNITY HOUSING

FINAL REPORT

September 2014
The Centre for Social Impact

The Centre for Social Impact (CSI) is a collaboration between the University of New South Wales, Melbourne University, the University of Western Australia and Swinburne University of Technology. CSI’s mission is to create beneficial social impact in Australia through teaching, research, measurement and the promotion of public debate. We aim to consider and promote best practice and thought leadership in the context of a systems thinking approach to social purpose.

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CONTENTS

ABBREVIATIONS ................................................................................................................................. 4

EXECUTIVE SUMMARY ......................................................................................................................... 5

1. INTRODUCTION AND BACKGROUND ........................................................................................... 8

   BACKGROUND .................................................................................................................................. 8

   1.1. PROJECT SCOPE AND AIMS ...................................................................................................... 8

   1.2. METHODOLOGY ......................................................................................................................... 9

2. INTRODUCTION TO MEASURING IMPACT ................................................................................. 11

   2.1. WHAT IS SOCIAL IMPACT MEASUREMENT? .............................................................................. 11

   2.2. GETTING STARTED ON, AND CONSIDERATION FOR, MEASURING IMPACT ......................... 11

   2.3. APPROACHES TO MEASURING IMPACT .................................................................................. 12

3. CONTEXTS AND NEEDS OF THE SECTOR IN RELATION TO IMPACT MEASUREMENT ............. 14

   3.1. NSW COMMUNITY HOUSING – NEEDS AND CONTEXT ......................................................... 15

   3.2. DATA COLLECTION AND REPORTING ..................................................................................... 15

   3.3. STAKEHOLDER CONSULTATIONS ........................................................................................... 19

4. WHAT DOES THIS MEAN FOR MEASURING THE SOCIAL IMPACT OF COMMUNITY HOUSING? .... 22

   4.1. REVIEWING THE GAPS ............................................................................................................ 22

   4.2. PRIORITY QUESTIONS ............................................................................................................... 23

   4.3. STRENGTHS AND WEAKNESSES .......................................................................................... 23

5. RECOMMENDATIONS ....................................................................................................................... 28

   5.1. CONCLUSION ............................................................................................................................. 33

6. APPENDIX A – APPROACHES TO IMPACT ............................................................................... 34

   6.1. THEORY-DRIVEN EVALUATION ............................................................................................... 34

   6.2. ECONOMIC ANALYSES .......................................................................................................... 36

   6.3. RATE OF RETURN APPROACHES ........................................................................................... 40

   6.4. RESULTS BASED ACCOUNTABILITY ....................................................................................... 43

   6.5. SOCIAL ACCOUNTING AND AUDIT ......................................................................................... 46

REFERENCES ......................................................................................................................................... 48
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIHW</td>
<td>Australian Institute of Health and Welfare</td>
</tr>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>CaPMH</td>
<td>Community Housing and Private Market Housing Directorate</td>
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<tr>
<td>CBA</td>
<td>Cost Benefit Analysis</td>
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<tr>
<td>CCPMF</td>
<td>Contract Compliance and Performance Management Framework</td>
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<tr>
<td>CHFV</td>
<td>Community Housing Federation of Victoria</td>
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<tr>
<td>CHPs</td>
<td>Community housing providers</td>
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<td>CHRSIS</td>
<td>Community Housing Regulatory Information System</td>
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<tr>
<td>CSI</td>
<td>Centre for Social Impact</td>
</tr>
<tr>
<td>KPI</td>
<td>Key performance indicator</td>
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<tr>
<td>NRSCH</td>
<td>National Regulatory System for Community Housing</td>
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<tr>
<td>NSHS</td>
<td>National Social Housing Survey</td>
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<tr>
<td>NSW</td>
<td>New South Wales</td>
</tr>
<tr>
<td>NSWFHA</td>
<td>NSW Federation of Housing Associations</td>
</tr>
<tr>
<td>OECD</td>
<td>The Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>RCH</td>
<td>Registrar of Community Housing</td>
</tr>
<tr>
<td>RCT</td>
<td>Randomised control trial</td>
</tr>
<tr>
<td>SAA</td>
<td>Social Accounting and Audit</td>
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<tr>
<td>SROI</td>
<td>Social Return on Investment</td>
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</table>
EXECUTIVE SUMMARY

The Centre for Social Impact at the University of New South Wales was commissioned by FACS Housing NSW to conduct a feasibility study regarding the assessment of the impact of community housing.

Context and needs of the sector in relation to measuring social impact

CSI examined the needs and relevant context of the NSW community housing sector by reviewing relevant policies, guidelines and regulations; examining existing data collected by community housing providers; and consulting with key stakeholders and providers. The key findings were:

- The community housing sector has undergone considerable growth and change: Policy, legislative and regulatory changes have stressed sustainable growth, accountability, transparency and flexibility in the sector.
- There are issues around data collection processes in the community housing sector: Though the review identified some systems in place to assist community housing providers, there is little evidence of a systematic approach to the collection and reporting of outcomes data.
- Lacking outcomes data: To date, existing reporting frameworks primarily focus on business and financial metrics rather than outcomes. There is a need for a systematic, shared approach to collecting outcomes data.
- There are opportunities to leverage existing data: While there are gaps in current data collection and reporting processes measuring social outcomes, there are opportunities to leverage existing data for other formative program evaluations.
- Need for qualitative data: The emphasis on quantitative rather than qualitative feedback from tenants/organisations means that there is a lack of contextual and subjective information around the social issues, challenges, benefits and opportunities confronting and arising from the provision of community housing.
- There is considerable diversity in the community housing sector: Particularly in terms of client groups, locational issues, and the size/resources of providers. A proposed methodology would have to have a certain degree of flexibility to ‘fit’ within existing data reporting requirements.
- Reporting burden: A key consideration for measuring social impact would be to ensure minimum duplication of data collection and reporting required, thus ensuring that resources are used efficiently.
- Appetite to measure impact: The consultations showed that there is considerable enthusiasm in the sector for the development of a framework to measure social impact.

Social Impact Methods

In light of the findings from the industry review, several social impact measurement approaches relevant and applicable to community housing were identified and explored, including:

- Program theory approaches: Logic models
- Economic analyses: Cost-Effectiveness, Cost-Benefit and Cost-Consequences analyses
Rate of Return Approaches: Social Return on Investment
Social Accounting and Audit, and
Results Based Accountability

Each approach was assessed on its strengths, weaknesses and ability in relation to FACS Housing NSW context and considerations. A matrix of priority questions and impact approaches is presented in section 4.1.

**Recommendations and the pathway to impact measurement**

To achieve a sound understanding of the impact of community housing, CSI recommends the following:

1. **Develop a Theory of Change for Community Housing:**
   A Theory of Change is a visual representation of how a program or initiative should work, linking inputs (the resources that go into a program), activities (what the program does), outputs (the number of people, places, supports, activities the program has produced), outcomes (what changes have occurred) and impact (long term change). A clearly articulated Theory of Change is needed to determine what should be measured to understand the social impact a program has and why change may or may not have occurred.

2. **Implement a Results Based Accountability framework:**
   Results Based Accountability (RBA) is a framework for systematic measurement of outcomes and organisational performance over time at an organisational, sector and population level. RBA could allow community housing to track outcomes overtime and to compare these outcomes across the sector, between providers and against benchmarks. RBA also provides an already developed software package to enable effective, local level data collection and reporting.

3. **Invest in the development of ‘quality’ outcome indicators:**
   Indicators are measurable markers of a certain outcomes that track how much progress or change has been made. Irrespective of the social impact measurement approach chosen, good ‘quality’ indicators need to be developed. These could include health, education, wellbeing and employment, in addition to existing tenancy satisfaction indicators.

4. **Incorporate and use existing data from CHPs and existing reporting frameworks:**
   Existing tenancy, financial and CHP data should be used and incorporated into any social outcome measurement approach developed. This data could supplement outcomes data collected through the Results Based Accountability framework to inform input and activity information and organisational performance. This would reduce workload and duplication in reporting.

5. **Support education and capacity building for CHPs in outcomes measurement, data collection and reporting:**
   Measuring social impact requires a certain level of understanding, capability and capacity within community housing organisations. Education and capacity building of CHPs in outcomes measurement (e.g. Theory of Change, data collection, analysis and reporting) is recommended.

6. **Supplement the outcomes and impact findings with an economic evaluation:**
Lastly, outputs from the Theory of Change and RBA framework could be used to inform, support and complement other evaluation approaches, including economic analyses. A cost effectiveness analysis or cost of consequences analysis would assist CHPs to understand the differences in outcomes by cost.
1. INTRODUCTION AND BACKGROUND

Background
Community housing plays a significant role in meeting housing needs by delivering high quality, affordable housing and support to people experiencing housing stress; managing social and affordable housing, and crisis accommodation; and providing housing assistance products that support people in the private rental market. Community housing offers flexible and integrated services that can be tailored to meet the needs of tenants and their local communities.

As at June 2013, the community housing sector in NSW was comprised of 230 registered community housing providers (CHPs) - organisations that deliver social or affordable housing and associated services to people on very low, low or moderate incomes.

In recent years, the NSW community housing industry has experienced rapid growth, attained new levels of professionalisation and diversified its business. Between 2006 and 2013, the number of properties under community housing management more than doubled. At 30 June 2013, community housing providers reported managing a total of 34,000 properties, with total industry rental revenue of $301 million.

The most rapid growth in the sector was during 2009/10 and 2010/11, when around 5,500 new properties were added to the sector through Nation Building Economic Stimulus measures. There is little indication that the rate of change experienced by NSW community housing in recent years will slow. As government, non-government and business sectors continue to work to improve the supply of secure, appropriate, affordable rental housing in NSW, the size, scope and business of the industry will continue to evolve.

The NSW Industry Development Strategy 2013/14 – 2015/16 (the ‘Strategy’) is the vehicle by which the NSW Government will continue to work with and support the community housing industry to deliver a wide range of outcomes, in particular high quality, affordable housing and support for people across NSW, including some of the State’s most vulnerable people.

The Strategy has been developed through a partnership between the NSW Department of Family and Community Services (FACS) and the NSW Federation of Housing Associations (NSWFHA).

As part of the Strategy, the CSI at the University of New South Wales was commissioned in May 2014 by FACS Housing NSW to, “provide comparative advice to the NSW Industry Development Strategy Program Control Group on possible approaches for understanding the impact of community housing, and to make recommendations on the feasibility of adopting a selected approach for industry use”.

1.1. Project Scope and Aims
This project aimed to assess the feasibility of measuring the impact of community housing in NSW by:

- Describing current approaches to measuring impact (e.g. Cost Benefit Analysis, Social Return on Investment, Social Accounting and Audit);
- Exploring the needs and relevant context of the NSW community housing industry;
- Analysing the strategic and methodological strengths and limitations of each approach in the context of the NSW community housing industry;
- Providing a number of short demonstrative work-ups/case studies of each model using available industry data; and
- Making recommendations on a preferred approach and next steps.
This report examines the feasibility of assessing the impact of community housing in NSW using a number of different approaches. It explores this issue and makes recommendations within the context of the sector, while also considering how to minimize reporting duplication.

1.2. Methodology

The research was undertaken in three stages and a range of methods were used.

Stage 1: Impact measurement approaches and industry review

Stage 1 described and assessed current approaches for measuring social impact. A background review of relevant ‘grey’ and academic literature was conducted. Evaluation theory and selected social impact measurement approaches relevant and applicable to community housing were reviewed, including:

- Program theory approaches: Logic models
- Economic analyses: Cost-Effectiveness, Cost-Benefit and Cost-Consequences analyses
- Rate of Return Approaches: Social Return on Investment
- Social Accounting and Audit, and
- Results Based Accountability

Needs and Context

This section included a review of community housing industry policies, regulations and guidelines, which was used to inform and explore the alignment of an impact measurement approach with the current reporting and regulatory frameworks and community housing strategy.

Review of existing data

To ensure that duplication and burden on providers is minimised and that effective existing data collection and reporting informs future recommendations, a review of existing data collected was conducted. The review drew on the findings of another study mapping the data collection and reporting requirements of CHPs in NSW.

The data source for this analysis – the Industry Data Map – was provided by NSWFA and is a draft output from an ongoing review by them to map industry data in NSW. The Industry Data Map summarises the current reporting framework and data fields required from CHPs by the Registrar of Community Housing (RCH); the Community and Private Market Housing Directorate (CaPMH); NSWFA; and the Australian Institute of Health and Welfare (AIHW).

Stakeholder consultations

To explore the needs, concerns, considerations and context of the NSW community housing industry, CSI conducted brief consultations with key project and industry stakeholders. In total 10 consultations were conducted with 13 representatives of CHPs/industry partners. The consultations explored topics such as existing regulations; existing data collection and reporting requirements; differences between organisations relating to their size and location; current approaches and perceptions towards social impact, monitoring and performance; and the changing environment within the sector (e.g. funding/investment/viability; collaborations and networks; tenant and community engagement; governance; probity; organizational capacity etc).
Stage 2: Analysis

The data sources and insights from Stage 1 were analysed to develop an understanding of the strategic and methodological strengths and limitations of each impact measurement approach in the context of the NSW community housing industry.

A matrix of key issues most relevant to the housing sector against impact approaches was developed to assist in determining which approaches to prioritise. The matrix will assist the industry to understand how each approach might be applied. This section does not include an actual evaluation or analysis of findings or results.

Stage 3: Reporting

The last stage involved the development of a Feasibility Report for FACS Housing NSW (this document). The report presents the findings, considerations and key learnings along with a series of recommendations and pathways to implement a social impact measurement approach.

1.2.1. Limitations

Due to time constraints the consultations with key project and industry stakeholders were limited. Discussions were brief phone consultations and not all stakeholders within the community housing sector were able to be consulted. Thus, the insights collected, while valuable, cannot be generalised to the whole community housing industry. Also, this project did not review the full extent of the data currently collected and reported on by the community housing sector due to resource constraints.
2. INTRODUCTION TO MEASURING IMPACT

2.1. What is social impact measurement?

Social impact refers to the “[p]ositive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended”\(^2\). Social impact can be measured at various levels: at the individual program level, at the organisational level, and at the societal level.\(^3\) The long-term social effects of a program cover a range of life domains and may also encompass concepts such as wellbeing, resilience, connectedness, inclusiveness and belonging.

Social impact measurement requires the assessment of outcomes that might lead to longer-term impact. This may be part of, or separate to, an evaluation. Evaluation refers to “[t]he systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results”\(^4\). Evaluations are usually conducted to assess the outcomes or effects of a program or policy (summative evaluation) and/or to understand how a program works and is being implemented and how it might be improved (formative evaluation).\(^5\) If outcomes are evaluated without an understanding of why and how a program aims to, and is working, it is difficult to tell why outcomes did or did not occur.

2.2. Getting started on, and consideration for, measuring impact

In good practice, evaluations and social impact measurement methods and approaches should be guided by a plausible Theory of Change, that is, “an explicit theory of method of how a program [or policy] causes the intended or observed outcomes”\(^6\). In principle, a Theory of Change should assist with\(^7\):

- Formulating and prioritising evaluation/impact measurement questions
- Guiding planning, design and execution of evaluations/impact measurement
- Working out what needs to be measured
- Identifying breakdowns and side effects
- Determining program effectiveness and assisting in explaining cause and effect associations

In addition to a Theory of Change, consideration should be given to the following elements when measuring social impact:

1. Responsible research practices:

When conducting research, especially with vulnerable individuals, it is necessary to ensure that all research processes – including but not limited to participant recruitment, data collection and storage, and confidentiality and privacy – are ethical. Further information regarding responsible research practices can be found in the Australian code for the responsible conduct of research\(^8\).

2. Purpose and scope:

Social impact can be measured at various levels: at the individual program level, at the individual organisational level, or at the societal level\(^9\). It is thus essential to set the scope and purpose of the evaluation or measurement to align with expectation and effort.

3. Stakeholders and materiality:
The purpose and scope of the evaluation will help inform which stakeholders should be engaged. Including a broad range of stakeholders will ensure greater transparency, ownership and acceptance of an evaluation, as well as a wider range of perspectives and worldviews\(^2\).

4. **Shared measurement:**

Shared indicators are important to determine what impact has occurred, how different programs and initiatives compare in generating outcomes and how these outcomes compare to the same and different client groups. Specifically, developing shared indicators that are consistent across different cohorts (clients, providers) can enable meaningful comparison between these groups. Having a bank of shared indicators may assist to establish a baseline or standard to benchmark against.

5. **Benchmarking and existing indicators:**

Using existing indicators – when they are high quality – is useful because it reduces the need for internal expertise to develop, test and validate indicators; will increase the likelihood that the data collected is of quality; and, most importantly, will enable benchmarking against population data.

### 2.3. Approaches to measuring impact

The review considered seven contemporary approaches for measuring the social impact of community housing, including: theory driven approaches; economic analyses; rate of return; Results Based Accountability; and Social Accounting and Audit. Table 2-1 provides a summary description of these approaches; a detailed technical description and review of each approach can be found in Appendix A.

<table>
<thead>
<tr>
<th>Approach</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Theory-driven evaluation</td>
<td>Theory-driven evaluations are based on “an explicit theory or method of how the program causes the intended or observed outcomes”(^1). A Theory of Change is an output from a theory driven approach. There are two core components: the conceptualisation of a program theory, and how programs cause intended or observed outcomes. A Logic Model is a theory driven approach. Logic models are a graphical representation of the relationships between inputs, activities, outputs, outcomes and impact.</td>
</tr>
<tr>
<td>Economic analyses</td>
<td>Economic analyses involve the systematic assessment of the costs and effects associated with a program. The program’s performance can often be articulated as a ratio of dollars invested to dollars returned. Three common methods are: cost-effectiveness analysis: a comparison of costs to effects in ‘natural’ units. It can be used to compare similar programs. cost-benefit analysis: a comparison of costs to the benefits in ‘monetary’ units. It can be used to compare different programs. cost-consequences analysis: a comparison of costs to effects with contextual information. It is not intended for comparing different programs.</td>
</tr>
<tr>
<td>Rate of Return approaches</td>
<td>Rate of Return approaches aim to quantify, in monetary terms, the economic, social and environmental costs of a program compared to their outcomes. Where monetary values do not already exist, proxies are used to monetise social return. Social Return on Investment is a common rate of return approach.</td>
</tr>
<tr>
<td>Social Accounting and Audit (SAA)</td>
<td>The SAA approach emphasises accountability and international process improvement by establishing a framework for ongoing monitoring, evaluation and accountability to stakeholders, and fostering internal control.</td>
</tr>
</tbody>
</table>

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both internal and external. SAA starts from the mission of an organisation and uses existing documentation and consultation to assess performance; it is moderated by an external auditor.

The strengths and weaknesses of each of these approaches for measuring the impact of community housing is assessed in section 4 after a discussion of the context and needs of the sector.
3. CONTEXTS AND NEEDS OF THE SECTOR IN RELATION TO IMPACT MEASUREMENT

Key insights

- **The community housing sector has undergone considerable growth and change:**
  Policy, legislative and regulatory changes have stressed sustainable growth, accountability, transparency and flexibility in the sector.

- **The community housing sector faces some challenges around data collection:**
  Although systems are in place that require and assist CHPs to collect data, there is little evidence of a systematic approach to collecting and reporting outcomes.

- **Lacking outcomes data:**
  Existing reporting frameworks focus on business and financial metrics rather than outcomes, and there is little understanding about how to start collecting outcome data. The focus on tenant satisfaction excludes a wide range of social, health and wellbeing outcomes that could be associated with community housing. The sector is also currently lacking baseline data on outcomes or social indicators.

- **Need for qualitative data:**
  The emphasis on quantitative rather than qualitative feedback from tenants/organisations means that there is a loss of contextual and subjective information around the social issues, challenges, benefits and opportunities confronting and arising from the provision of community housing.

- **There are opportunities to leverage existing data:**
  While there are gaps in current data collection and reporting processes in relation to social outcomes, there are opportunities to leverage existing data for other formative program evaluations. For example, the NSWFHA tenant satisfaction survey data could be used to supplement a review of benefits of support/case workers, whilst CHRIS online submission and additional RCH compliance reports could provide input into other economic analyses – reducing the compliance and data collection burden for future studies.

- **There is considerable diversity in the community housing sector:**
  There is diversity in the community housing sector, particularly in terms of client groups, locational issues, and the size/resources of providers. A social impact measurement approach would require enough flexibility to ensure that different contexts are acknowledged and there is a ‘fit’ within existing data reporting requirements.

- **Reporting burden:**
  A key consideration for measuring social impact is minimising (or, ideally, avoiding) duplication of data collection and reporting, thus ensuring that provider and funder resources are used efficiently.

- **Appetite to measure impact:**
  The consultations showed that there is considerable enthusiasm in the sector for the development of a framework to measure social impact. However, this should align and not (even unintentionally) jeopardise the unique advantages and characteristics of the community housing sector in NSW; particularly, its flexibility and autonomy.

This section of the report summarises the findings from the fieldwork component of this research. The fieldwork was designed to explore the needs and relevant context of the NSW community housing sector.
Methods included: a review of major policies, guidelines and regulations; a review of existing data relating to community housing; and consultations with key stakeholders and CHPs.

3.1. NSW Community Housing – Needs and Context

Housing affordability has been on the decline in Australia for the past 40 years, pushing a growing number of low to moderate income earners into housing stress (spending over 30% of income on housing costs). With affordable and appropriate housing not available through the market, the social housing sector, especially the community housing sector, has been recognised as playing an increasingly important role in the provision of housing to individuals on low to moderate incomes.

To support the growth of the community housing sector, there have been numerous changes to the sector’s legislative and regulatory environment since 2007. These changes have brought with them various reporting requirements, which have affected the type and amount of data collected across the sector. The current data requirements should be considered in any future steps taken to measure the sector’s impact in order to avoid duplication and to ensure that only data needed is collected. Table 3-1 outlines the key policies/reforms and strategic transformation since 2007 that are relevant to measuring performance, outputs, outcomes and impacts in the community housing sector.

Table 3-1 Policy and reforms relevant to community housing

<table>
<thead>
<tr>
<th>Policy/Reform</th>
<th>Date</th>
<th>Description</th>
<th>Relevance for measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning for the Future</td>
<td>Published December 2007</td>
<td>Five-year strategy for growing community housing “...with a commitment to maintaining diversity”</td>
<td>States that “All providers will need to demonstrate that they can operate to high standards in their provision of housing services.”</td>
</tr>
<tr>
<td>National Affordable Housing Agreement</td>
<td>Commenced on 1 January 2009</td>
<td>&quot;The aspirational objective is that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation.&quot;</td>
<td>Identifies outcomes and outputs pursued, as well as performance indicators and benchmarks</td>
</tr>
<tr>
<td>NSW Regulation</td>
<td>Commenced on 1 May 2009</td>
<td>&quot;[O]utlines a Regulatory Code for community housing that providers must comply with in order to receive assistance from Housing NSW&quot;</td>
<td>Identifies 6 areas in which providers must demonstrate their proficiency</td>
</tr>
<tr>
<td>Community Housing Compliance and Performance Management Framework</td>
<td>Finalised in November 2012</td>
<td>“Outlines: • outcomes of the review of the Framework • benchmarks and tolerance levels • processes for the assessment of contract compliance and performance • processes for remedial action areas identified for ongoing work and further review”</td>
<td>A significant document with respect to the CAPMH’s data collection and performance measurement.</td>
</tr>
<tr>
<td>National Regulatory System for Community Housing (NRSCH)</td>
<td>2014</td>
<td>“The NRSCH is designed to identify, monitor and respond to risks that have serious consequences for tenants, funders and investors, community housing assets and the reputation of the sector”</td>
<td>Details performance outcomes and requirements that need to be met by registered CHPs. Compliance and reporting requirements are dependent on the tier of registration.</td>
</tr>
</tbody>
</table>

3.2. Data collection and reporting

This section presents a review of the data collection and reporting requirements for CHPs in NSW. Table 3-2 summarises the type of data each of the four agencies included in the Industry Data Map collect. It starkly illustrates that while there is a significant amount of financial and provider data currently collected, there is
very little outcomes data. This was corroborated by key stakeholders who were interviewed for this study (Section 3.3).
<table>
<thead>
<tr>
<th>Agency</th>
<th>Reports</th>
<th>Coverage</th>
<th>Description</th>
<th>Type of data collected</th>
<th>Importance for impact measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RCH</strong></td>
<td>Financial Performance Report</td>
<td>Tier 1 &amp; 2</td>
<td>The Financial Performance Report collects data on asset utilisation; income statement; financial viability; cash flow statement; efficiency ratios; loan and risk information.</td>
<td>Financial</td>
<td>Tenant Demographics</td>
</tr>
<tr>
<td></td>
<td>Asset report (CHAPR)</td>
<td>Tier 1,2,3</td>
<td>The CHAPR requires all tiers of CHPs to submit data on the ownership and maintenance responsibilities of their assets. Tiers 1 and 2 are also required to provide data on the future development of their housing assets.</td>
<td>Tenant Demographics</td>
<td>Output data</td>
</tr>
<tr>
<td></td>
<td>CHRIS Online submission</td>
<td>Tier 1,2,3</td>
<td>CHPs are required to provide information on the following areas: tenant and housing services; housing assets; community engagement; governance; probity; management; and financial viability.</td>
<td>Tenant Demographics</td>
<td>Provider</td>
</tr>
<tr>
<td></td>
<td>Asset List</td>
<td>Tier 1,2,3</td>
<td>The Asset List requires CHPs from all tiers to provide data on their current property assets; number and location.</td>
<td>Tenant Demographics</td>
<td>Provider</td>
</tr>
<tr>
<td></td>
<td>CH Asset Performance Report</td>
<td>Tier 1,2,3</td>
<td>The CH Asset Performance Report requires CHPs from all tiers to submit data on their asset development and planned growth of tenancy, leases and new properties over a five year period.</td>
<td>Tenant Demographics</td>
<td>Provider</td>
</tr>
<tr>
<td><strong>Community and Private Market Housing Directorate (CaPMH)</strong></td>
<td>Contract Compliance and Performance Management Framework (CCPMF)</td>
<td>CHPs managing 30 or more general social housing properties</td>
<td>The CCPMF covers reporting on: new applicants; crisis accommodation; affordable housing; general social housing; and 'your organisation' - assets; development; financial and housing management. The data also includes aggregate client demographic information.</td>
<td>Tenant Demographics</td>
<td>Provider</td>
</tr>
<tr>
<td></td>
<td>Vested Asset Leveraging Report</td>
<td>16 CHPs with titles vested</td>
<td>The Vested Asset Leveraging Report requires CHPs to report on their: vesting statistics, financial position and performance, cash flow information, targets and key performance indicators (KPIs).</td>
<td>Tenant Demographics</td>
<td>Provider</td>
</tr>
</tbody>
</table>

- Priority given to financial and provider performance metrics;
- Gaps in outcomes data collected;
- Unclear on extent of reporting IT infrastructure and processes.
<table>
<thead>
<tr>
<th>NSWFHA</th>
<th>Tenant Satisfaction Survey</th>
<th>CHPs adopting NSWFHA core questions</th>
<th>The Tenant Satisfaction Survey covers: overall satisfaction; repairs and maintenance; communication with landlord or provider; tenants’ rights; rent; contact and level of support from a support worker; and the complaints process. At present the Tenant Satisfaction Survey is not delivered across the whole community housing sector.</th>
<th>x</th>
<th>x</th>
<th>• Improvements in the type and quality of data collected, albeit limited to NSWFHA members. • Lessons from this could be used to help inform new indicators and measures for the sector. • The data collected could be used to supplement other formative evaluations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce Survey</td>
<td>Fed members</td>
<td>The Workforce Survey covers a range of topics including: salary cost; number of staff; gender balance; Aboriginal and Torres Strait Islander, culturally and linguistically diverse and disabled employees; employee age groups; turnover and property ratios (turnover per headcount, employees per number of properties).</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AIHW</td>
<td>National Social Housing Survey (NSHS)</td>
<td>Other</td>
<td>This study “profile[s] social housing in states and territories and record[s]...[tenant] satisfaction with services provided and the amenity and location of their housing”25. The NSHS does not form part of the regulatory and contractual reporting required by the NRSCH.</td>
<td>x</td>
<td>x</td>
<td>• Offers comparison and benchmarking of results at the state and society level, across the range of social housing programs (Public housing/Community housing/ State owned and managed Indigenous housing). • Validated and high quality external indicator or benchmarks. • Expertise and research can inform indicator development or evidence for the sector.</td>
</tr>
</tbody>
</table>
3.3. **Stakeholder Consultations**

This section presents the findings from the stakeholder consultation process, including: current data collection demands and practices; challenges related to data collection; and considerations for social impact measurement.

3.3.1. **Current data collection demands**

The CHPs consulted reported considerable data collection in the community housing sector. They also expressed some reservations about the capacity of smaller CHPs to meet some of the reporting requirements. Nonetheless, some of the larger providers were collecting data over and above their regulatory and contractual requirements as part of evaluations of their individual programs.

3.3.2. **Current data collection practices**

It was generally agreed that the sector as a whole is poor at measuring outcomes. Currently, information on clients’ outcomes appears to be almost entirely anecdotal. For example, when asked about what outcome data they already collected, a few providers reported that clients had told them that community housing has ‘changed their lives’. This was with the exception of some of the larger providers who were engaged in individual research projects or evaluation with universities and other research centres. These stakeholders were positive about the research process, not only because it allowed them to collect robust feedback on their programs and impact, but also because it exposed them to what was involved in the design and conduct of social research.

Excluding individual program evaluations, there did not appear to be internal mechanisms to measure the outcomes of community housing. Further, although a number of stakeholders consulted were able to nominate social outcome areas, there appeared to be little understanding within the sector as a whole regarding how to measure outcomes longitudinally and the resources and skills required to do so.

Stakeholders identified that a more holistic approach to outcomes measurement was required to fill knowledge gaps about outcomes and impact and to better reflect the comprehensive nature of the community housing sector. Holistic data is indeed needed to answer the following types of questions at different levels:

- **Societal level**
  - What does community housing achieve?
  - Does community housing have an impact on related social policy issues such as homelessness or unemployment?

- **Organisational level**
  - Do people cycle in and out of community housing?
  - What is the impact on other services?
  - To what extent does community housing provide an opportunity for wrap-around and/or networks to other services?

- **Individual level**
  - What impact does community housing have on residents?
  - Does community housing stabilise people’s lives?
  - Does community housing have any impact on: mental health and wellbeing, life opportunities, training and education, employment prospects, and social inclusion
3.3.3. **Data collection challenges**

Both stakeholders and CHPs identified a number of issues around data collection and analysis at the organisational level. The most common challenges and issues around data collection were:

1. Clients’ vulnerabilities and characteristics

Many CHPs noted that, broadly, groups with certain characteristics – including young people, people with mental health issues, and people from non-English speaking backgrounds – were harder to engage in the data collection process. It was felt that these groups were less likely to see the value of data collection, could be less comfortable participating in the research process, and tended to be more disengaged from the provider in general. Thus, these groups tended to have lower participation in tenant surveys.

Data collection methods, combined with client’s vulnerabilities, were reported as a barrier to participation. Many tenants might not have access to, or familiarity with, computer-based research methods (in particular, online surveys because of a lack of a computer and/or the internet), telephone services, or reliable transport. Therefore face-to-face surveys are required to reach these groups, which is resource-intensive.

2. Geographical location of community housing properties

The geographical location of community housing properties was assessed by CHPs as complicating data collection. For example, representatives from one rural/regional CHP explained that collecting data from many of their tenants was very resource-intensive because properties are dispersed stand-alone dwellings (as contrasted with high density urban CHPs who are able not only to visit multiple tenants in one trip, but also take advantage of the facilities to distribute flyers).

3.3.4. **Sector considerations around measuring social impact**

Stakeholders and CHPs both welcomed the development of a framework that would assist to measure social impact. Participants recognised the sector’s current lack of focus on outcomes. There were however a number of caveats expressed by both CHPs and stakeholders. These related to (1) the nature of community housing; (2) the variations between organisations’ resources; (3) the flexibility of the community housing sector; and (4) information sharing and dissemination.

1. Nature of community housing

Both stakeholders and CHPs stressed that community housing can deliver changes for an individual beyond gaining access to affordable and secure accommodation. Community housing can directly impact on mental health and wellbeing, life opportunities, training and education, employment prospects, and social inclusion of tenants. The inclusion of such outcomes when measuring the impact of community housing was advocated.

CHPs reported connecting tenants with key services and supports. Some of the Tier 1 providers were running their own support programs (e.g. a youth employment program), while others were linking directly back into other community supports. CHPs and stakeholders felt very strongly that these features of the sector should be considered when measuring the social impact of community housing.

2. Variations between organisational resources

As noted above, there is considerable variance in terms of the resources available to different community housing organisations. Both stakeholders and CHPs were concerned about the capacity of smaller Tier 3 CHPs to participate in data collection processes without compromising the financial health of their organisations.

Given resource constraints, it was thought that, where possible, the proposed social impact measurement approach should make use of data already collected.

3. Flexibility of the community housing sector

The flexibility of the community housing sector was seen as a key strength of community housing and an important consideration for determining how to measure social impact. The relative autonomy of the community housing sector to decide how to deliver services and supports to tenants was also reported as an
asset of community housing that should be protected and supported in any social impact measurement approach.

4. Information sharing and dissemination

Information collected from CHPs as part of their regulatory requirements is shared with the sector via the annual Registrar’s report. However, many respondents commented that the sector could benefit from increased cross-collaboration, particularly around best practice. Information sharing was thought to hold many benefits for the community housing sector, including the potential to remove duplication, improve service delivery, and sharing best practice and benchmarks. At present, however, many respondents mentioned that voluntary information sharing is hampered by the competitive tendering process, which incentivises CHPs to withhold their data from each other. It was felt that this is an issue which will need to be addressed at a structural level if the implementation of social impact measurement was to proceed successfully.
4. WHAT DOES THIS MEAN FOR MEASURING THE SOCIAL IMPACT OF COMMUNITY HOUSING?

In the previous sections the contextual factors around community housing in NSW were discussed and a range of social impact measurement approaches were presented. This section turns to answering the question: what does this mean for measuring the social impact of community housing?

4.1. Reviewing the gaps

A number of needs and gaps have been identified from the consultation process and data review that need to be addressed if the impact of community housing is to be adequately measured. These include, for example:

- The need to clearly identify what outcomes and impacts are expected to occur based on the inputs and activities of the sector;
- The need to begin to collect outcome data and put processes in place to support the sector to do so;
- The ability to describe the sector in terms of the range and diversity of CHPs, their services and clients and recognise and incorporate this context in any impact measurement approach;
- The need to continue to incorporate measures of provider performance;
- The ability to establish a ‘counter factual’ in the future;
- The need to answer bigger picture questions in the future around the impact of community housing in and on the social service system.

In addition, if social impact is going to be measured, the sector should adopt a process that:

- Allows comparison across the community housing sector in NSW (e.g. at an aggregate or sector level and across different types and tiers of CHPs);
- Measures change over time and at particular points: the tracking of outputs and outcomes longitudinally (compared to a one point in time analysis) will allow community housing to assess its progress and performance trajectory against social, economic and housing indicators;
- Prioritises quantitative over qualitative outcome data in the short term (because of limited resources and skills to collect, analyse and report) but that builds in qualitative data over time to inform and support quantitative results;
- Recognises context: because of the significant differences across the sector, it is not sufficient to measure outcomes alone. Longitudinal outcome data should be collected and analysed alongside tracking against the Theory of Change or how providers work (formative measures);
- Uses an existing technology solution to collect and report on data from across the community housing sector. Existing data collection might not be suitable for social impact measurement purposes; therefore a proposed approach must provide a cost effective and accessible technology solution for the community housing sector;
- Can add on an economic analysis in the medium term: cost and input data must therefore continue to be tracked.
4.2. **Priority questions**

It is important to consider the needs mentioned above along with additional key measurement questions to determine which social impact approach, or approaches, are most appropriate for community housing. CSI’s *Decision Making Tool for Social Impact Measurement Approaches* will aid this process. We have adapted our tool for community housing in Table 4-1.

Stakeholders engaged in the development and implementation of a measurement framework or approach for community housing in NSW should be cognisant of the range of questions each approach can answer and the type of evidence, outputs, outcomes and impacts each approach can potentially deliver. To read Table 4-1, an “✓” denotes that an approach could be used to answer or provide evidence towards addressing a priority or research question; a “O” indicates that this may answer the question under certain circumstances. While this does not explain in detail how the approaches can be adapted, it indicates to what extent certain methodologies can be adapted for community housing to address key questions and highlight the limitations of some approaches.

4.3. **Strengths and Weaknesses**

Considering the context and needs of community housing and the decision making tool above, a number of strengths and weaknesses for the different approaches for measuring social impact emerge. Drawing together the needs and relative strengths and weaknesses, we have graded the different approaches according to their ability to measure the impact of community housing (Table 4-2).
<table>
<thead>
<tr>
<th>Area</th>
<th>Do you want to answer the following questions about a policy/program/intervention?</th>
<th>Logic Models / Theory of Change</th>
<th>Formative evaluation</th>
<th>Summative evaluation</th>
<th>Quant methods</th>
<th>Qual methods</th>
<th>Economic Analysis</th>
<th>Rate of return (e.g. ROI)</th>
<th>Results Based Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design and implementation</td>
<td>How effectively was it implemented?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>How does it work?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>How was it implemented?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Was it implemented as intended?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Is it meeting needs?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Are changes required to improve the performance or efficacy?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>How efficient was it?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>What difference did the implementation make to outcomes?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>What elements are important for replication?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Outcomes</td>
<td>What outcomes have been achieved?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Did it achieve what it set out to do?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Was it effective?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>What impact did it have?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Why did you/didn't you achieve your target audience?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>How and why did the outcomes occur?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Implementation</td>
<td>Were the intended activities/ events and other outputs achieved?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target group</td>
<td>Did you reach your target audience?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Why did you/didn’t you reach your target audience?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Do you want to know who the program worked for and under what circumstances?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outputs</td>
<td>What outputs were achieved?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>How much, how many, how often did s, y, z happen?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comparisons</td>
<td>How does this intervention compare to another program/ policy that aims to achieve similar outcomes?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>How do the outcomes compare to people who were not exposed to the intervention (control group / counterfactual)?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Economics</td>
<td>What is the economic case for the policy/program activity?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>What is the $ value of all the outcomes? (NB only possible if outcomes can be monetised)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>What is the $ value of one or more outcomes?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>What is the $ value of the economic &amp; social outcomes? (NB only possible if outcomes can be monetised)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>What is the total cost of the program?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>What is the ratio of the net benefit (total outcomes/ total cost)?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>What is the ratio of a specific outcomes / cost per unit?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Indicators, benchmarking &amp; time</td>
<td>How do the outcomes compare to a standard (from existing indicator)?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>How do outcomes change over time?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Why have outcomes changed over time?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>How do changes compare to other interventions/sectors/areas etc?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholders</td>
<td>Have the different stakeholders played the role they were intended to play?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>How have different priorities of stakeholders influenced program design or implementation or outcomes?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>What unintended consequences have occurred?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 4.2: Strengths and weaknesses

<table>
<thead>
<tr>
<th>Approach</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Stars</th>
</tr>
</thead>
</table>
| Logic models / Theory of Change | • Can be used to explain how a program works or intends to work, can be used to improve service delivery  
• Underpins and frames other methodologies or approaches  
• Identifies key stages (inputs, activities, outputs, outcomes and impact) required for other evaluations  
• Simple and cost effective development compared to more technical approaches | • Requires broad stakeholder consultation if developing a Theory of Change/logic model for a sector  
• Limited number of grounded theories to test against or compare with  
• There is not one proven Theory of Change for community housing; different CHPs could have different missions or approaches (however, multiple logic models can be developed at different levels)  
• Possible conflicts of interest if one stakeholder/group develops the Theory of Change/logic model | *** |
| Formative evaluation            | • Explains how a program works; how it is being implemented; whether it reaches the target group and satisfies tenants’ needs; and areas for improvement  
• Stakeholder/user focus: could include - program managers, program employees, funders | • Does not provide a measure of program performance | ** |
| Summative evaluation            | • Measures outcomes  
• Stakeholder/user focus: could include – external stakeholders, policy makers, senior management, funders | • ‘Black box’ evaluation – does not explain or answer how a program or intervention works  
• Does not explain why certain outcomes were/were not achieved | *** |
| Quantitative methods            | • Can compare outcomes to a standard, benchmark or existing indicator  
• Cost effective approach to data collection (large sample sizes)  
• Provides a perspective on the extent and breadth of change  
• Replicable overtime | • Requires technical skills and resources to: develop methods, sample and recruit participants, collect, analyse and report on the data | *** |
| Qualitative methods             | • Unpack ‘why’  
• Rich description and provide context to findings | • Resource/time intensive  
• Don’t provide extent of an outcome across a population group | * |
<table>
<thead>
<tr>
<th>Method</th>
<th>Advantages</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CEA</strong></td>
<td>Demonstrate the economic case for a policy/program</td>
<td>Problematic if the program cost and outcome data is not comparable between programs/policies</td>
</tr>
<tr>
<td></td>
<td>Does not require the monetisation of benefits</td>
<td>Can only account for one area of program impact at any one time</td>
</tr>
<tr>
<td></td>
<td>Different programs can be compared on cost to deliver outcomes for</td>
<td>Resource intensive: time and money – albeit less so than CBA</td>
</tr>
<tr>
<td></td>
<td>different stakeholder groups</td>
<td>Requires evaluator skills and competencies to conduct the analysis: external support should</td>
</tr>
<tr>
<td></td>
<td></td>
<td>be sought where there is a skill deficiency (cost)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Requires quality input and outcome data</td>
</tr>
<tr>
<td><strong>CBA</strong></td>
<td>Can identify a range of program outcomes relevant to multiple stakeholders</td>
<td>Resource intensive: time and money</td>
</tr>
<tr>
<td></td>
<td>Can be highly comprehensive</td>
<td>Requires evaluator skills and competencies to conduct the analysis: external support should</td>
</tr>
<tr>
<td></td>
<td>Flexible framework</td>
<td>be sought where there is a skill deficiency (cost)</td>
</tr>
<tr>
<td></td>
<td>Can incorporate any benefits when monetisable</td>
<td>Requires quality input and outcome data</td>
</tr>
<tr>
<td></td>
<td>Will provide a ratio of return on investment</td>
<td>Reliant on assumptions to monetise outcomes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Requires understanding of an interventions efficacy; scientific/statistical analysis based</td>
</tr>
<tr>
<td></td>
<td></td>
<td>from a randomised controlled trial (RCT) or control study</td>
</tr>
<tr>
<td><strong>CCA</strong></td>
<td>Allows the evaluator to take into account contextual information to</td>
<td>Does not assist in comparisons between programs</td>
</tr>
<tr>
<td></td>
<td>inform their decisions</td>
<td>Does not define the relationships between causes and effects</td>
</tr>
<tr>
<td></td>
<td>Conceptually simple</td>
<td>May not be as rigorous as a CBA or CEA</td>
</tr>
<tr>
<td><strong>SROI</strong></td>
<td>Broad stakeholder engagement process</td>
<td>Relies on proxies for outcomes (especially social ones), deadweight, attribution and drop off</td>
</tr>
<tr>
<td></td>
<td>Able to incorporate both social and economic benefits</td>
<td>Relies on assumptions to monetise outcomes</td>
</tr>
<tr>
<td></td>
<td>Provision of verification and validation through the various networks</td>
<td>Requires quality input and outcome data</td>
</tr>
<tr>
<td></td>
<td>Allows the comparison of social value across organisations working within</td>
<td>Will only provide a retrospective assessment of impact (rather than track impact into the</td>
</tr>
<tr>
<td></td>
<td>similar areas</td>
<td>future</td>
</tr>
<tr>
<td><strong>SAA</strong></td>
<td>Designed to be compatible with other tools, information and techniques</td>
<td>Requires quality of design and data</td>
</tr>
<tr>
<td></td>
<td>already in use</td>
<td>Requires stakeholder engagement</td>
</tr>
<tr>
<td></td>
<td>Flexible and sensitive to the mission of the organisation</td>
<td>Requires quality auditing process</td>
</tr>
<tr>
<td></td>
<td>Can be applied across sectors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Offers external validation</td>
<td></td>
</tr>
</tbody>
</table>
| Results Based Accountability | • Provides a software package that can help measure performance at an organisational, sector and society level  
• Relies on a Theory of Change  
• Relies on high quality performance measures and indicators  
• Provides some formative evaluation | • Requires the skills to develop a Theory of Change  
• Requires skills to identify/develop high quality indicators  
• Requires robust research practices  
• Requires a subscription | *** |
5. RECOMMENDATIONS

We recommend the community housing sector the following six stage pathway towards measuring impact:

1. Develop a **Theory of Change** for community housing
2. Implement a **Results Based Accountability** framework
3. Invest in the development of ‘quality’ **indicators**
4. Incorporate and use **existing data** from CHPs and existing reporting frameworks
5. Support **education and capacity** building for CHPs in outcomes measurement, data collection and reporting
6. **Supplement** the outcomes and impact findings with an economic evaluation

This pathway is illustrated in Figure 5-1. The Theory of Change underpins and informs the pathway of several other stages. The rationale for each recommendation and stage are discussed below.
Figure 5-1: Suggested pathway and process

**Recommendations**

1. Develop a Theory of Change for community housing
2. Implement a Results Based Accountability framework
3. Invest in the development of ‘quality’ indicators
4. Incorporate and use existing data from CHPs and existing reporting frameworks
5. Support education and capacity building for CHPs in outcomes measurement, data collection and reporting
6. Supplement the outcomes and impact findings with an economic evaluation

**Suggested Process**

- **Develop a Theory of Change**
  - Scope and plan process
  - Conduct a background review
  - Engage stakeholders
  - Develop theory of change visualisation
  - Distribute and approve

- **Develop RBA framework**
  - Identify Goals (from the Theory of Change)
  - Describe the current situation
  - Identify sector needs
  - Develop IT systems/infrastructure

- **Identify and develop Indicators**
  - Identify outcomes from Theory of Change
  - Identify and map indicators
  - Stakeholder consultation to refine indicators

- **Identify existing data**
  - Identify existing data sources informed by Theory of Change
  - Map useful and relevant performance data for RBA framework

- **Develop and provide education and training**
  - Develop resources for education and training
  - Topics could include: data collection and reporting

- **Rollout and Implementation**
  - Populate with indicators
  - Test and refine RBA process
  - Sequential rollout and feedback
  - Use and improve

- **Supplement outputs with economic evaluation**
  - Plan, design and scope additional methods: CEA/CBA
  - Use and inform process from Theory of Change and RBA data
Recommendation 1: Develop a Theory of Change for Community Housing

Community housing currently lacks a clearly articulated set of outcomes and impacts that it seeks to achieve and what activities are needed to achieve these outcomes. This foundational understanding is required to determine what should be measured and, in turn what approaches are needed to do so.

Therefore, a key priority for FACS Housing NSW should be to develop a Theory of Change. A Theory of Change is a visual representation of how a program or initiative should work, linking inputs (the resources that go into a program), activities (what the program does), outputs (the number of people, places, supports, activities the program has produced), outcomes (what changes have occurred) and impact (long term change).

In summary a Theory of Change can:
- Improve the understanding of the links between inputs, activities, outputs, outcomes and impact within community housing;
- Articulate the ‘why’ or purpose of community housing and the objectives of a social impact measurement approach;
- Advise evaluation and research questions;
- Identify sources of existing data that could be used in the social impact measurement approach or other assessments;
- Inform the development of measures and indicators.

In developing a Theory of Change, it is important to consider:
- There is no one best approach to develop a Theory of Change. A consultant (from CSI or elsewhere) can support the selection, facilitation and development of the Theory of Change;
- The development of a Theory of Change requires broad stakeholder consultation and engagement which can be time;
- There can be possible conflicts of interest depending on the ownership of the Theory of Change process and development.

Recommendation 2: Implement a Results Based Accountability framework

Results Based Accountability (RBA) is recommended as the most appropriate social impact measurement approach for community housing. The RBA is a framework for systematically measuring outcomes and organisational performance over time at an organisational, sector and population level. RBA could allow community housing to track outcomes over time and to compare these outcomes across the sector, between CHPs and against benchmarks. RBA also provides an already developed software package to enable effective, local level data collection and reporting.

RBA has some unique advantages and aligns with the current needs and context of community housing in NSW. The major advantages for community housing include:
- A focus on performance and impact: the RBA approach can focus on outcomes measurement at different levels, allowing the comparison and aggregation of results across CHPs and the sector.
- Assessment of outcomes and social impact over time: RBA provides a consistent approach for measuring indicators over time, rather than providing a retrospective evaluation.
- Data collection and technology solution: external IT solutions are available to assist with data collection and reporting. This could reduce the resource burden and enable different providers to collect, track and report their own and cross sector data.

These advantages are discussed in more detail below.
Focus on performance and impact

RBA focuses on impact and results at both the organisation and population level. It does this by focusing on impact at a society level, while tracking performance measures, KPIs and activities at an organisation level. RBA will allow the tracking of results against other external data sources such as the NSHS or Australian Bureau of Statistics (ABS) statistics and it will recognise and incorporate the diversity of the sector in the measurement of social outcomes.

Table 5-1 presents an adapted framework outlining the relationship between population and performance accountability in the community housing context.

Table 5-1: Example Population and Performance Accountability framework for community housing

<table>
<thead>
<tr>
<th>Population vs. Performance Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Housing Sector level</strong></td>
</tr>
<tr>
<td>Indicators</td>
</tr>
<tr>
<td>• Client demographics</td>
</tr>
<tr>
<td>• Tenancy satisfaction</td>
</tr>
<tr>
<td>• Wellbeing (AIHW)</td>
</tr>
<tr>
<td>• Economic outcomes</td>
</tr>
<tr>
<td>• Social outcomes</td>
</tr>
<tr>
<td>• Health outcomes</td>
</tr>
<tr>
<td>Results</td>
</tr>
<tr>
<td>Indicators</td>
</tr>
<tr>
<td>Strategies</td>
</tr>
<tr>
<td>Performance measures</td>
</tr>
<tr>
<td><strong>Community Housing Provider level</strong></td>
</tr>
<tr>
<td>Client demographics</td>
</tr>
<tr>
<td>Tenancy satisfaction</td>
</tr>
<tr>
<td>Provider specific client outcomes (related to services)</td>
</tr>
<tr>
<td>Provider business performance data</td>
</tr>
<tr>
<td>Service delivery data</td>
</tr>
</tbody>
</table>

Consideration must also be given to the alignment of the RBA framework with existing data collection and reporting requirements. The Industry Data Map project could be used to identify existing input, activity and output data that could be utilised within the RBA framework. In addition standard performance and outcomes measures within the RBA framework could allow comparison of results and activity between CHPs and/or between different tenant cohorts.

Assessment of social impact over time

The development of standardised measures for population and organisation level accountability within RBA allows outcomes to be tracked over time (longitudinally) and at specific points in time. Some other approaches only allow for the assessment of retrospective impact. Given where community housing is currently positioned, it is acknowledged that change and measurement will take time. Hence, it is important to adopt an approach that can track change at points in time, and over time in the future.

Data collection and technology solution

RBA offers existing data collection and reporting solutions, which are available off the shelf and in the ‘cloud’. The RBA methodology is supported by external IT solutions to assist organisations to report and analyse data within the framework. This would address key concerns with developing a reporting framework accessible to a range of CHPs, and allow providers to track their progress in real time. It could assist with:

- Ease in data collection and reporting – standard templates/questions could be developed
- Results Leadership Group consultants can provide support with the development of the technology
• It is possible to stagger a rollout of the technology or by module types across different types or sizes of providers (tier 1/2/3). We recommend using some mandatory questions for data quality that all CHPs are required to complete and then scale up for Tier 1 & 2 CHPs
• Minimising cost (lower cost compared to developing a new technology solution)

**Recommendation 3: Invest in the development of ‘quality’ indicators**

Regardless of the approach the development of good quality indicators is essential for the quality and validity of a social impact measurement framework. An indicator is defined as a “[q]uantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor”\(^2^7\). Quality indicators should be SMART (Specific, Measurement, Attainable, Realistic, Timely), meaningful, evidence based, and be supported by a rationale. Indicators provide a baseline and/or benchmark, against which progress can be measured.

The implementation of RBA must therefore include the time and resources to develop quality indicators to address the gaps in understanding the outcomes and impacts for tenants, organisations, other sectors and society (e.g. around domains: health, education, employment, housing & wellbeing). This could include a mapping process, guided and supported by the Theory of Change process in recommendation 1, to identify relevant external indicators within existing surveys that are relevant to community housing. Table 5-2 below provides an example of existing sources of indicators.

<table>
<thead>
<tr>
<th>Table 5-2 Available external indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisation</td>
</tr>
<tr>
<td>AIHW</td>
</tr>
<tr>
<td>ABS</td>
</tr>
<tr>
<td>ABS</td>
</tr>
<tr>
<td>The Organisation for Economic Co-operation and Development (OECD)</td>
</tr>
</tbody>
</table>

**Recommendation 4: Incorporate and use existing data from CHPs and existing reporting frameworks**

Building on the Industry Data Map process, relevant existing tenancy, financial and CHP data should be used to avoid duplication of workload and reporting. As noted earlier in the report, while this will not provide outcome data, there is substantial financial and provider data that can be used.

**Recommendation 5: Support education and capacity building for CHPs in outcomes measurement, data collection and reporting**

In addition to the development and implementation of an outcomes measurement approach, attention needs to be given to the education and capacity building of CHPs in outcomes measurement. This could include providing support to understand: the purpose and use of social impact measurement; data collection and responsible research and evaluation practices; the use of indicators; and how to align and integrate the RBA framework with other evaluation approaches. Training in data collection and responsible research practices is critical to ensure that quality data is collected to feed into the measurement process. We recommend providing this support in conjunction with the development and implementation of an outcomes measurement approach and to consider the full range of needs from community housing stakeholders: program managers, researchers, support workers and associated stakeholders.

**Recommendation 6: Supplement the outcomes and impact findings with an economic evaluation**
In the intermediate term, we recommend that the RBA outcomes / impact data be used in conjunction with existing financial data to undertake economic analyses, such as a cost-effectiveness analysis.

The foundation of a clearly articulated Theory of Change (recommendation 1) and longitudinal outcomes data (recommendation 2) address key existing limitations of economic analyses, including a reliance on administrative data or retrospective outcomes data (see Table 6-1 for an example summary). Therefore having a Theory of Change and RBA data collection process in place can enhance and improve the quality of other economic evaluations.

5.1. Conclusion

This report has shown that there is considerable interest and enthusiasm to develop a framework and an approach to measure the social impact of community housing in NSW. Nevertheless, given the current lack of outcomes measurement, there are a number of steps required before the sector can comprehensively measure its impact. This report presents a set of recommendations and a realistic pathway for the community housing sector to move towards an integrated outcomes measurement framework.
6. APPENDIX A – APPROACHES TO IMPACT

Appendix A presents a detailed description of the methodologies considered for measuring social impact.

6.1. Theory-driven evaluation

Theory-driven evaluation approaches are based on “an explicit theory or method of how the program causes the intended or observed outcomes and an evaluation that is at least partly guided by this model”\(^{28}\). A theory-based evaluation aims to explain how and why a program or an intervention works (or does not work).

As it currently stands, the definition of a theory-driven model is quite broad, raising issues around the lack of consensus around the definition, language, conceptualisation and operationalisation of theory-driven evaluation driven by its wide use and application across disciplines\(^{29}\).

Despite the lack of consensus around conceptualisation, the literature characterises five core elements or principles of theory driven evaluation\(^{30}\). The principles are not prescriptive criteria but considerations that evaluators should consider while conducting a theory driven approach. Theory driven evaluations should:

- Formulate a plausible program theory
- Formulate and prioritise evaluation questions around a program theory
- Guide planning, design and execution of evaluation under consideration of relevant contingencies
- Measure constructs postulated in program theory
- Identify breakdowns, side effects, determine program effectiveness, and explain cause and effect associations between theoretical constructs

As such, a theory-driven program evaluation relies on a program theory. A program theory is a conceptualisation of how a program or intervention operates and how it intends to create outcomes for tenants and stakeholders. A program theory can either be explicit or implicit; an explicit theory is one which is articulated and codified (preferably based on prior theory or pilot testing), an implicit theory is one which is implied. A theory can be created prospectively or retrospectively.

There are many different interpretations of approaches within the theory driven literature and practice (such as W.K Kellogg Foundation; United Way of America)\(^{31}\) which provide evaluators with toolkits on how to approach an theory driven evaluation or to develop a logic model. However, there are two core components of a theory-driven evaluation\(^{32}\):

1. The conceptualisation of a programs theory, and
2. The empirical assessment how programs cause intended or observed outcomes

Theory-driven evaluations are method-neutral or methodologically pluralistic\(^{33}\) and are suited to both qualitative and quantitative methods\(^{34}\). The evaluator can select methods to best answer the specific research questions or hypotheses, and their specific skill or competencies. Despite being methods pluralistic, this requires evaluators to have knowledge of a range of methods and analyses and experience to understand and apply these to the specific research context.

The conceptualisation stage is often conducted through a systematic review of the program to develop a program logic, often depicted visually through a logic model or logframe. The empirical assessment is conducted to understand and test if the program is delivering the outcomes intended, if there are unintended outcomes and if outcomes are created how and if the program causes those outcomes.
6.1.1. Logic Models

**What:** Can be used to explain how a program works by presenting the relationships between; inputs; activities; outputs; outcomes; impact. The approach can also be used to inform or test how a program works.

**Outputs:** Visual representation of how a program should work; hypothesis for testing; explanation of the intended outcomes and indicators to measure. This is often referred to as a Theory of Change.

**How to:**

Please see the following references for further information:


Logic models are graphical representations of the (hypothesised) relationships between the available resources for, and activities of a program, and the results and changes sought to be achieved. A basic logic model is depicted in the Figure 6-1 below.

**Figure 6-1 A Basic Logic Model**

A simple logic model is usually made up of 5 components (inputs; activities; outputs; outcomes; and impact) which can be separated into two categories:

1. Planned work, which refers to the resources that will be used (inputs), and how they will be used (activities), to achieve an established goal
2. Intended results, which refers to the effects that are being pursued or hoped to be achieved (outputs, outcomes and impact)

Logic models are simple tools that help identify the various elements of a program and highlight how the program is intended to work. Three approaches to logic models include:

1. Theory approach models, which conceptualise the ideas behind a new program and depict how the latter is going to work. They are often used in proposals.
2. Outcomes approach models, which focus on a program’s methodology how planned work is translated into intended results. These are best suited for evaluation and reporting purposes.
3. Activities approach models, which depicts the interconnections between the various activities involved in a program, and “maps the process of program implementation”. This approach is most useful for program monitoring.

Developing an effective logic model requires going through each element of the model systematically and thoroughly, taking into account the assumptions being made to justify how each component relate to the other. As such, “logic models are best used in conjunction with other descriptive information”. Further, logic model development is often dynamic, that is, logic models should be consistently re-evaluated and reviewed to ensure that they reflect the current environment, and that the intended results have the best possible chance of being achieved.
Logic models are useful tools which allow the development of a shared understanding of the intended results of a program, leading to focus efforts towards explicit goals. In addition, logic models allow evaluators to test multiple approaches and methodologies, potentially creating continuous program improvement.

### 6.2. Economic analyses

Economic analyses involve the systematic assessment of the costs and benefits associated with a particular program, and the evaluation of the program’s overall performance, usually through a cost-benefit ratio. Economic analyses can incorporate monetary, qualitative and quantitative elements and can be conducted throughout a program’s life cycle as either part of a formative or summative assessment.

Of the many different approaches to economic analysis, three of the most common methods are considered:

1. Cost-effectiveness analysis
2. Cost-benefit analysis
3. Cost-consequences analysis

By comparing the costs of administering a program to the benefits generated, economic analyses provide a useful basis for evaluators to assess whether a particular program should be funded, scaled or replicated. When using shared indicators or benchmarks across programs, economic analyses also allow for the comparison of programs’ performance, and can be used to determine resource allocation between projects.

Economic analyses can however be very technical and resource intensive; firstly, the account perspective, that is, the point of view from which the analysis is being conducted (funder, service recipient, service provider etc...) will affect the types of costs and benefits considered and thus the end ratio. Secondly, the collection of cost and benefit data can be costly as such information is not typically mapped to specific projects or programs. Further, information might not be available or easily accessed and/or reliable.

### 6.2.1. Cost-effectiveness analysis

**What:** CEA can help in decision-making by assessing the comparative costs of achieving the same benefit within a domain

**Outputs:** Ratio of total costs to a non-monetary outcome

**Requirements:** strong evidence for the costs and outcomes, including robust outcome measures, and detailed and transparent financial data

A cost-effectiveness analysis (CEA) compares inputs, or program costs, against the associated social benefits of a program or intervention. CEA differs from the CBA framework in that the benefits do not need to be monetised and can be discussed in terms of ‘natural’ units. As such, cost-effectiveness analyses will not provide a single ratio result like CBA, but it can provide a cost-effectiveness ratio for an individual or multiple outcomes. Measures of cost-effectiveness can only account for one area of program impact at any one time.

Implementation of a CEA framework requires strong evidence for the costs and outcomes, including robust outcome measures, detailed and transparent financial data.

1. Identify all cost elements by stakeholders; who pays and time (when is the cost incurred)
2. Identify impact/outcome by stakeholder; who benefits and time (when is the benefit realised)
3. Express benefits in ‘natural’ units (e.g. year life saved)
4. Discount stream of costs and benefits by appropriate discount rate
5. Calculate cost-effectiveness ratio
6. Compare cost-effectiveness ratio when benefits are calculated in common units
An advantage of CEA is that different programs can be compared on cost to deliver outcomes for different stakeholder groups. Compared with CBA, CEA is also less resource intensive. CEA is able to aid in decision-making by assessing the comparative costs of achieving the same benefit within a domain. Finally, CEA allows for integrated cost analyses of programs for which it is difficult to measure the value of improvements in market terms.

There are, however, risks associated with a CEA. For example, it relies on the existence of comparable data on programs and interventions. CEA is also reliant on robust research practices. Because CEA uses natural units, there can be issues with comparison between different outcomes; it will not always be appropriate or desirable to equate different type of outcomes; and some outcomes may be missed. An example of a cost-effectiveness analysis of homelessness programs is provided below.


<table>
<thead>
<tr>
<th>Who</th>
<th>Australian Housing and Urban Research Institute</th>
<th>FACS Housing NSW Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context</td>
<td>Assessment of the cost-effectiveness of homelessness programs operating in Australia.</td>
<td>What are the skills/resources available to conduct the evaluation? Internal or external evaluation.</td>
</tr>
</tbody>
</table>
| Methods | 1. Survey: Client Survey (adult homelessness program tenants, three waves over 12 months); Community Centre Survey (one-off cross-sectional survey of tenants)  
  2. Cost data: program budgets and support (through survey instrument)  
  A multi-dimensional rather than single indicator approach was taken to the measurement of client outcomes. The outcome indicators utilised were:  
  • Housing/shelter, accommodation and tenancy management;  
  • Source and level of income;  
  • Labour market outcomes;  
  • Client perceptions of effectiveness of services and changes in knowledge among tenants;  
  • Levels of satisfaction with various dimensions of life such as housing and safety;  
  • Quality of life outcomes;  
  • Utilisation of health and justice facilities  
  “As stressed previously, it is important to consider client outcomes against the background, needs and histories of individual tenants.” P. 46 | Mixed methods approach within evaluation: Qualitative and quantitative data to provide rounded evidence. |
| Limitations | • Client outcomes evidence base underdeveloped (p23)  
  • Limitations of using administrative data beyond funding; on client needs, histories and outcomes; therefore need to supplement gaps with survey evidence (p24)  
  • Cost calculation issues are gaps in data and in consistencies in the time period. | Limitations in CEA analysis could be addressed by developing long term approaches to outcomes measurement, developing baselines and understanding existing cost data. |
6.2.2. Cost-benefit analysis

Key questions: CBA provides a ratio that can help compare different programs or interventions
Outputs: Ratio of costs and benefits in monetary terms
Key requirements: high level skills; the resources to collect and analyse data; and high quality financial and economic data

A CBA is an approach which compares the full cost, or efficiency, of a program with the predicted financial benefits, or effectiveness.

[CBA] Takes the perspective of society as a whole and considers the costs and dollar-valued outcomes aggregated across all stakeholders (government sector or individuals as taxpayers, program participants or private individuals, the rest of society).

A cost benefit analysis is usually expressed in terms of a ratio of money invested versus the financial benefit, with all benefits and costs expressed in monetary terms. A cost benefit analysis can be used to compare different programs or interventions.

To implement this framework, outcomes must be monetised in order for the ratio to be developed. There must also be evidence to establish a relationship between the program and the outcomes. This often requires high level skills; the resources to collect and analyse data; and high quality financial and economic data. One methodology for a cost benefit analysis is:

1. Identify program results from a research study (Scientifically sound - RCT/Quasi-experimental design)
2. Identify all cost elements by stakeholder and time;
3. Identify outcome elements by stakeholder and time;
4. Convert all benefits and costs into common units ($)
5. Discount costs and benefits by appropriate discount rate
6. Calculate present value costs and present value benefits
7. Compare the present value benefits and costs by looking at their ratio (benefit-cost ratio)
8. If the BC ratio > 1 then the project is "worthwhile" – the higher the ratio, the better the investment

Advantages of CBA include the fact that it can identify a range of program outcomes, both positive and negative, which are relevant to a broad range of stakeholders. It can also be highly comprehensive. It is a flexible framework which can focus on returns for particular stakeholders. Finally, CBA is able to incorporate primary and secondary, tangible and intangible, and direct and indirect benefits when monetary value can be ascribed.

However, there are also risks associated with this approach. In particular, it relies on assumptions about what is counted towards program costs; it seeks to monetise social change which can be difficult to accurately value; it ignores outcomes outside the purview of the framework; and it is highly reliant on robust research practices. An example of a CBA evaluation is presented in Table 6.2 below.

<table>
<thead>
<tr>
<th>Who:</th>
<th>First Voice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context:</td>
<td>“This CBA examines the intensive early interventions programs (EIPs) provided by First Voice to assist children with hearing loss develop spoken language.” P. iv “The CBA uses a 50 year horizon to reflect the fact that the majority of the benefits flow later in life. The costs incurred up front can therefore be seen as an investment in the child’s future.” P. iv</td>
</tr>
</tbody>
</table>
| Methods:      | • A systematic literature review identified potential costs and benefits  
• Cost-effectiveness studies were also reviewed for background information in terms of previous methodologies and assumption used  
• Data was collected from annual reports and some school leavers were surveyed to identify whether they were now in employment or pursuing further studies  
• Costs considered:  
  − Operational costs; Carer’s wages foregone; Opportunity cost of capital; Deadweight loss associated with raising tax; Better/earlier devices; Travel, accommodation and meals; Child care; Short term psychotherapeutic intervention; Complications  
• Benefits  
  − Productivity gain/higher incomes; Reduction in disability/better quality of life; School costs avoided; Likelihood of being in paid work; Injuries avoided; Unquantified costs; Effort by children to acquire language; Potential shift in cultural identity; Costs to parents to acquire literature and research different communications options;  
• Unquantified benefits;  
  − Benefits to carers over the long term; Savings to business; Lower support costs in the voluntary sector; Knowledge creation |
| Limitations and considerations: | Lack of longitudinal outcome/benefit data; therefore a reliance on assumptions about future impacts; lack of baseline or base case – lacking “national representative data on type and intensity of support services received” p8. First Voice provide detailed descriptions of the services models to provide a deeper understanding and breakdown of the range of services and centres – how does first voice differ from other providers? Limited cost data when comparing providers – limited the types of analysis. |
6.2.3. Cost of consequences analysis

Key questions: CCA provides information to help decide whether a program is worth funding
Outputs: Approximate return on investment ratio; Identification of missing data and gaps
Key requirements: Information regarding inputs; products; outputs; and outcomes
How to:

Please see the following references for further information:


Cost-consequences analysis (CCA) is a type of return on investment method which provides a “coarse-grained estimate of what one puts into a system and what one gets out of it.”50 While not as detailed as a traditional return on investment analysis, CCA aims to provide decision-makers with sufficient relevant information to make informed choices regarding which projects to pursue or not.51

CCA is best suited to situations where the outcomes of a program or policy cannot be summarised or aggregated into a single measure. Such an analysis allows the evaluator to take into account contextual information to inform their decisions, by simply describing the costs and consequences associated with a particular program. While conceptually simple, CCA does not assist in comparisons between programs because of the specificity of consequences to particular projects.52

Although CCA describes the costs and consequences of a program, it does not define the relationships between the two that is, between causes and effects. Thus, when conducting a CCA, the concurrent use of a framework mapping organizational inputs and processes to outputs and outcomes, such as the Organizational Elements Model (OEM)53 or a logic model, is recommended.

6.3. Rate of Return Approaches

Rate of Return approaches aim to quantify, in monetary terms, the economic, social and environmental costs of a program or intervention compared to their outcomes. These approaches create a standard metric ($ value) to measure the success of a social program and compare this to its costs (positive and negative). Where monetary values do not already exist, proxies are used to monetise social return. The objective is to create a standard metric to measure the success of a social program and compare this against other alternatives.

Within the rate of return umbrella, there exist many different approaches to evaluate programs and measure impact. Though there are a variety of approaches, they tend to fall into two major categories: they either calculate the total value of the program (retrospective); or forecast the expected return of a program or initiative (prospective).

On a theoretical level, implementation of a rate of return framework relies on program theory, with strong evidence for connections of inputs-outcomes; stakeholder input; valuing only outcomes that matter; not over claiming; transparency; and verification. On a practical level, the rate of return framework requires high levels of skills, excellent financial data, a strong Theory of Change with evidence, sound assumptions, and quality outcome data.
6.3.1. Social Return on Investment

**Key questions:** SROI assess how much value is created or destroyed by a program or intervention and for whom

**Outputs:** Ratio of costs to the social, environmental and economic benefits generated

**Key requirements:** stakeholder engagement, logic model, quality indicators and proxies

**How to:**

Please see the following references for further information:

One of the better-known rate of return approaches is SROI. The key focus of the SROI approach is measuring and assessing how much value has been created or destroyed by a program or intervention, and for whom. Value can be measured in social, environmental, and economic terms. SROI can be applied both retrospectively and prospectively.

The SROI Network has identified seven principles which should guide a SROI evaluation. These are:

1. **Engagement of stakeholders:** Stakeholders are identified and engaged throughout the process. This will ensure that the definition of value, as well as its measurement, is informed by those individuals affected by it or who may affect it
2. **Understanding change:** The articulation of how change is created and evaluated
3. **Valuing things that matter:** Using financial proxies so that the value of the outcomes can be recognised
4. **Not over-claiming:** Only claiming things that the organisation is responsible
5. **Be transparent:** Demonstrate the basis on which the analysis may be considered accurate and honest, showing that it will be reported to and discussed with stakeholders
6. **Verify the result:** Ensure appropriate independent assurance

As such, the process for undertaking a SROI takes place in several phases:

1. **Establishing the scope and key stakeholders:** Evaluators should focus on the purpose of the evaluation; the time period it will cover; the social issue context; and the resources required to undertake the evaluation
2. **Mapping outcomes:** This stage involves applying a logic model in order to articulate the inputs, outputs, and outcomes of the program. This requires stakeholder engagement and consultation; looking at what data is available; and if the Theory of Change is plausible and valid
3. **Evidencing outcomes:** This stage involves the development and application of indicators to measure the change as a result of the outputs and to place a monetary value on these outcomes.
4. **Establishing impact:** This stage involves identifying what proportion of the change can be attributed to the program or intervention.
5. **Calculating the SROI:** This stage involves calculating: social purpose net value; the economic return; the blended value (social and economic value); and the total costs, in order to establish the SROI ratio
6. **Reporting:** Reporting back to stakeholders

Advantages of an SROI include: the broad stakeholder engagement process; the fact that this approach is able to incorporate both social and economic benefits; the provision of verification and validation through the various networks; and the fact that the SROI ratio allows the comparison of social value across organisations working within similar areas.

Despite the benefits of the SROI framework, there are also limitations associated with this approach. One serious issue is the fact that SROI relies on the extensive use of assumptions and evaluator judgement, which has the potential to undermine its validity and makes comparisons between SROIs potentially problematic. SROI is also ultimately summative, and does not provide stakeholders with information about how or why the program or intervention works. Additionally, SROI is not client focused. SROI focuses attention on the SROI ratio rather than the overall value of the program or intervention. Finally, a SROI evaluation is resource and
A summary of an SROI evaluation is presented in Table 6-3 below. More information about a SROI evaluation can be found at the website of the SROI network: [http://www.thesroinetwork.org/](http://www.thesroinetwork.org/)


<table>
<thead>
<tr>
<th>Who</th>
<th>Commissioned by the Community Housing Federation of Australia, Powerhousing Australia and bankmecu in ‘an effort to better understand the current and future impacts of community housing on wellbeing at both a local and national level’ (p. 1)</th>
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</thead>
</table>
| Context | **Methodology**  
| |  
| | • The methodology employed was the SROI.  
| | • Potential outcomes identified via a literature review  
| | • Then a consultation with stakeholders was held in order to identify outcomes, allowing for the articulation and prioritisation of key outcomes to guide the rest of the analysis. Four major categories of outcomes identified were: economic benefits; educational benefits; health benefits; and community inclusion benefits  
| | • Indicators were then developed and measured, based on both the literature and the stakeholder consultations.  
| | **Data collection**  
| | • Data informing the analysis was drawn from several sources including:  
| |  
| | • Existing literature  
| | • Stakeholders  
| | Indicators measured via a number of datasets, including the ABS’ Housing and Occupancy Costs, ABS’ Household Income and Labour Income Distribution, research by Roy Morgan, Australia, ABS’ Education and Training Experience, AIHW’s National Housing Survey  
| Limitations/challenges | Notes that they do not include the possibility of a full range of indicators, ‘not all of the social value relate to community housing can be realistically quantified’ (p. 51). The do not isolate community housing from other factors.  
| | While community inclusion outcomes were identified as important, these could not be reliably linked to indicators quantifiable in monetary terms. In some cases there was more than one indicator supporting the same outcome; while some of these could be quantified they could not be monetised.  
| Outputs | Estimated value of the social benefits derived from the provision of Community Housing Services in Australia over a 5-year period: $664,829,000  
| | Note they could not calculate a SROI ratio due to limitations of the existing data. |
6.4. **Results Based Accountability**

| Key questions: RBA assesses progress towards a population and/or performance goal and allows for continuous improvement |
| Outputs: Key performance measures and indicators, |
| Key requirements: Quality indicators and measures, RBA software |
| How to: |
| Please see the following references for further information: |
| - http://raguide.org/ |

Results based accountability (RBA) is a framework which makes a distinction between results at the macro level (population accountability) and micro (organisational/‘performance’ accountability) levels. RBA aims to analyse data about the wellbeing of whole populations, client groups, geography and to compare outcomes by agency and sector. It works on the premise of results based decision-making: starting with the end point by defining success in measurable terms; identifying an indicator to gauge success or failure; collecting and sharing that data; and using results for making decisions.

The Fiscal Policy Studies Institute (FSPI) has identified the key principles underpinning RBA as:

1. **Making distinctions**: Distinctions are to be made between performance accountability – who is in charge of results tenants or customers or a particular program or intervention – and population accountability, which is not attributable to any one individual or organisation.
2. **Identifying the desired conditions of well-being**: This involves identifying not only the outcomes to be measured but indeed setting a particular achievement goal around said outcome.
3. **Language of accountability**: A mutually agreed set of definitions.
4. **Identify the client group**
5. **Identify the outcome or indicator to be measured**

Results based accounting relies on existing software package and subscription; a Theory of Change; high quality performance measures and indicators which need to be identified and/or developed (e.g. quantity, quality, effect, effort). RBA therefore requires the skills to develop a Theory of Change; skills to identify/develop high quality indicators; and robust research practices.

Risks associated with this framework include poor indicators and performance measures (including collecting outputs not outcomes); and insufficient evidence for a Theory of Change.

More information on results based accountability is available at: [http://raguide.org/](http://raguide.org/)

**RBA in practice:**


| Who | Southern Youth and Family Services | FACS Housing NSW |
| Context | Considerations |
|---|---|---|
| Extracts from Keevers et al (2012): | • What is the purpose of social impact measurement for community housing? | • Who are the stakeholders involved in community housing? |
| **Who:** “Southern Youth is a locally-based community organization providing a comprehensive and integrated range of accommodation, support and advocacy services to homeless and vulnerable young people and their families. It is funded by multiple state and federal government departments and managed by a community-based board that volunteer their board services.” P. 104 | **How:** “After focusing on these organizing practices of social justice at...” |
Southern Youth, we turned our attention to RBA planning practices within the broader community services field of practices in which Southern Youth was a participating organization. Specifically, we observed organizing practices in two RBA training workshops and two RBA planning workshops. The two RBA planning workshops were each conducted over two days about one month apart. One hundred and sixty people, including workers, tenants and government funders of local community organizations, participated.” P. 104

“During our fieldwork at Southern Youth, the transfer of one of their employment, education and training programs to a different government department enabled observations of the introduction of new governance processes including a results-based accountability, planning and audit regime.” P. 113

<table>
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<tr>
<th>Considerations</th>
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<tbody>
<tr>
<td>“Practices of social justice varied enormously during intra-action with different institutions and stakeholders in the community services domain. Similarly, RBA planning practice appeared not as a stable technology of representation with definite boundaries. Instead, there were multiple versions of RBA planning and social justice was performed and emerged quite differently depending on the configurations of organizations, practitioners and technologies intra-acting to produce an RBA plan.” P. 107</td>
</tr>
</tbody>
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<tr>
<th>Challenges</th>
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<tr>
<td>“Both the managers and the youth workers claim that the accountability and monitoring requirements of the program, designed to assist homeless and at-risk young people to obtain employment or participate in education, is paradoxically making it more difficult to engage with and build relationships with homeless and at risk young people. The integration of this new system has significant impacts on the daily practice of workers, reducing the time available to create a sense of belonging and develop young people’s skills that will form the basis for sustaining their life changes – changes that may not become evident as ‘results’ for years into the future.” P. 114</td>
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</table>

“In this example, the turning of outcomes (results) into targets to be measured and managed, far from simply mapping reality, imposes another form of organizing where they have appointments with young people in the office for set periods of time. Such practices are in direct contrast to more open-ended exchanges in informal settings, like the dining room table.” P. 115

“Thus, pre-determined performance measures risk re-shaping locally-based community organizations, such as Southern Youth, in the image of the funding bureaucracy.” P. 115

| Impact of RBA on service delivery and practice: |
| Challenge of a varied sector or range of services – importance of a robust conceptualization through a Theory of Change or program logic. |
| Systematic approach to the development and application of RBA to avoid repetition, duplication or divergence in the RBA framework. |

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Figure 6-2: Nangle. D. (2014), 'Building a culture of measurement in a large not-for-profit organisation: Findings from two and a half years of Results Based Accountability implementation', Anglicare WA

<table>
<thead>
<tr>
<th>Who</th>
<th>Anglicare WA – for Staff; managers; boards; funders</th>
<th>FACS Housing NSW</th>
</tr>
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<tbody>
<tr>
<td>Context</td>
<td>Anglicare WA works together with people, families and their communities to enhance their abilities to cope with their lives and relationships. Why develop an Evaluation Culture?</td>
<td>Considerations</td>
</tr>
<tr>
<td></td>
<td>• Better information to support program decision making</td>
<td>Define the purpose and use of social impact measurement.</td>
</tr>
<tr>
<td></td>
<td>• Greater capacity to evaluate the merit, cost effectiveness and cost capacity</td>
<td></td>
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### Implementation

**Four phases:**
1. Awareness raising: emails/presentations
2. Service Planning: scoping, workshop, define tenants, agree outcomes and measures, data and baselines.
4. Normalise: refine and use unassisted

- Staged implementation process within a large organisation.
- For community housing and FACS Housing NSW would need broader stakeholder consultation with the sector.

### Considerations

- Outcomes thinking make sense to staff
- It takes time.... lots of time
- It needs technical support
- High level support is vital
- Data is foreign to most
- Data needs systems
- It's not a fad
- Don't make funders the only audience
- Be prepared, the results might not be good
- Be prepared, the results might be great
- Examples are needed, but there is no recipe
- It is worth it.... really worth it

- Not a quick fix – takes time
- Need systems
- What are the values and principles for the development of social impact measurement in community housing – are people ready for results and performance measures?

### Challenges

**Staff comments:**
- "The challenges I feel are to do with how to set up and interpret outcomes”.
- "What I perceive to be meaningful data and what a funding body perceives are two different things”.
- "It is simply another reporting tool that takes staff away from doing what we do best, working with people".

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- Delivery of programs that are relevant and focused on delivery of outcomes to the community
- Increased capability to reprioritise in a climate of static funding
- Production of data to verify results that can be used for public relations and promoting services

*Staff comments:*

"Reflecting on our achievements provides a sense of value to our work and helps us to focus on what is important”.

“I think RBA enables Anglicare WA to prove beyond a doubt that its programmes and services are high quality and successful!”
6.5. Social Accounting and Audit

**Key questions:** SAA establishes a framework for ongoing monitoring, evaluation and accountability to stakeholders (internal and external)

**Outputs:** Performance measures on a financial, social, community and/or environmental outcomes

**Key requirements:** quality information, stakeholder engagement

**How to:**

Please see the following references for further information:

- [http://www.socialauditnetwork.org.uk/](http://www.socialauditnetwork.org.uk/)

The SAA approach emphasises accountability and international process improvement, establishing a framework for ongoing monitoring, evaluation and accountability to stakeholders, both internal and external. SAA starts from the mission of an organisation and uses existing documentation and consultation to assess the performance in meeting that mission, moderated by an external auditor. It can be used to measure a wide range of outcomes, whether they are financial, social, community, or environmental. Following its development the approach has been restructured and promoted by the Social Audit Network in the UK.

The Social Audit Network proposes that eight principles should guide an evaluation employing a SAA approach: (1) **clarify purpose**; (2) **define scope**, with organisations acknowledging and articulating all their values, objectives and stakeholders before undertaking the evaluation; (3) **stakeholder engagement**; (4) **determine materiality**, that is, determine what should be included in the social accounts; (5) **make comparisons**, using appropriate benchmarks, targets and external standards; (6) **be transparent**, demonstrating how and why findings can be considered accurate and honest (7) **verify accounts**, with results ideally being independently verified by a social audit panel; and (8) **embed the process**: that is, organisations should ensure that the process of social accounting and audit becomes embedded in its business practice. In service of these eight principles, an evaluation employing a SAA approach requires: standards and comparisons; an external auditor; data; a holistic approach; time; and monetary resources.

A SAA evaluation consists of four major stages:
1. **Preparation**: Gain an understanding of the SAA framework; organise planning and resourcing; consider how the SAA aligns with other inter-organisational evaluating and reporting;

2. **Planning**: This involves a stakeholder mapping process, an analysis of policies, procedures and consultation with stakeholders to understand the values, mission and objectives of the organisations. Evaluators and planners should also assess what data sources are available;

3. **Social accounting**: Evaluators need to engage with stakeholders to agree on the scope and to discuss suitable indicators to measure the performance of the organisation;

4. **Social audit**: The final stage involves bringing the reports and data together to form the draft Social Accounts. These reports should be verified and validated by an external panel or independent auditor, to ensure the information presented is accurate and representative of the program.

A key advantage of SAA is that it is designed to be compatible with other tools, information and techniques already in use. It is also very flexible and sensitive to the mission of the organisation, allowing different organisations to tailor reporting processes to fit their needs and resources. SAA is applicable to a wide range of organisations across the public, private and non-profit spheres. Finally, it offers external validation, which stresses accountability and transparency.

There are risks associated with undertaking a SAA. Quality of design and data is a key issue as it impacts on the resources and skills required to perform the SAA. Stakeholder engagement is also critical, and requires the evaluator to successfully negotiate and communicate with stakeholders at all stages of the evaluation. The quality of the auditing process can be a risk and can jeopardise the evaluation’s aim. Finally, any organisations undertaking a SAA-based evaluation need to be sensitive to issues of comparability, whether it is regarding data, processes or programs.

SAN provides a manual, additional readings, third party toolkits for practitioners, a network of practice and links to external social auditors and consultants. (For more information, see: [http://www.socialauditnetwork.org.uk/](http://www.socialauditnetwork.org.uk/).)
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4 OECD, op. cit., 2002
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11 P, Rogers, op. cit., 2008
13 NSW Federation of Housing Associations (2014), ‘Inquiry into social, public and affordable housing’, Surry Hills, NSW
14 Ibid.
16 Ibid., p7
17 Council of Australian Governments (n.d.), ‘National Affordable Housing Agreement’, p. 3.
18 Ibid.
20 NSW Government (2014), ‘Housing Regulation 2009’, accessed August 2014, at http://www.legislation.nsw.gov.au/viewtop/inforce/subordleg+148+2009+cd+0+N/?autoquery=(Content%3D(%22Housing%20Regulation%202009%22))%20AND%20((Type%3D%22act%22%20AND%20Repealed%3D%22N%22)%20OR%20(Type%3D%22subordleg%22%20AND%20Repealed%3D%22N%22))&dq=Document%20Types%3D%22Acts,%20Regs%22,%20Exact%20Phrase%3D%22Housing%20Regulation%202009%22,%20Search%20In%3D%22Text%22&fullquery=((%22Housing%20Regulation%202009%22))
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31 Ibid, p205
32 Ibid, p203
33 Ibid, p204)
36 Ibid.
38 W.K. Kellogg Foundation, op. cit.
39 W.K. Kellogg Foundation, op. cit. p. 10
40 Baker and Bruner, op. cit., p 18
41 W.K. Kellogg Foundation, op. cit.
42 W.K. Kellogg Foundation, op. cit.
45 Rossi, op. cit. 2004
46 Tuan, op. cit.
47 Tuan, op. cit.
48 Tuan, op. cit., p. 27,
51 Ibid, p 87-100.
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58 Zappala, op. cit. (2009)