

# BANKWEST FOUNDATION

## Social Impact Series

WESTERN AUSTRALIA

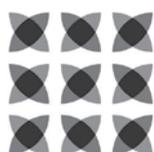
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Issue #6  
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### The future of outcomes measurement in the community sector in Western Australia

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The University of Western Australia  
Centre for Social Impact



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The Bankwest Foundation has partnered with the University of Western Australia Centre for Social Impact (UWA CSI) to undertake a research program **Supporting Development and Growth in the Community Sector in Western Australia**. The aim of the research program is to increase our understanding of the difference community programs make to the lives of Western Australians and what factors enhance the resilience and long-term financial viability of Western Australia's emerging social enterprise sector. Improving the evidence base on the measurement of the outcomes of community programs and of the financial sustainability of Western Australia's social enterprises will support growth and innovation in the community sector and build community resilience.

Outcomes of the research program are delivered through the Bankwest Foundation Social Impact Series and through community workshops and forums. This paper is the sixth paper in the **Social Impact Series** and focuses on evidence and policy implications from the **first comprehensive and large-scale survey of outcomes measurement in community sector organisations in Australia**.

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## INTRODUCTION

This is the sixth publication from the Bankwest Foundation **Social Impact Series**, and the fourth report in the research stream of *Measuring Outcomes for Impact in the Western Australia Community Sector*. The previous reports in this research stream investigated the international landscape of outcomes measurement (Issue #1), the perspectives of key community sector stakeholders (Issue #3) and the practice, prevalence and funding of outcomes measurement in the Western Australian community sector (Issue #5).

This report provides strong evidence of a high level of support for outcomes measurement on the part of community sector organisations in Western Australia, but also the challenges they face in measuring their impact. It also lists the key priorities of the community sector going forward and presents a strategic program to both support and further promote outcomes measurement in Western Australia.

The evidence presented in the report is derived from the Outcomes Measurement in the Western Australian Community Sector Survey, the first comprehensive survey on outcomes measurement in the community sector in Australia. The Outcomes Measurement in the Western Australian Community Sector Survey was conducted from December 2015 to March 2016 and sent to every community sector organisation registered with the Australian Charities and Not-for-Profit Commission (ACNC) operating in Western Australia (for further details of the Survey see Flatau, Adams and Seiwright 2016).

The term 'outcomes measurement' refers to the collection of relevant individual-level, program-level, organisational-level and population-level outcomes data and the subsequent assessment of that data to determine the difference that an initiative, program or organisation makes to the lives of people and communities they engage with. Accordingly, outcomes measurement informs decisions relating to all organisational functions, from resource allocation, program design, and client relationships. Evidence gained from measuring outcomes provides an empirical link between an organisation's intentions and actions on the one hand and their impact on the other. A well-structured outcomes measurement framework combined with effective data collection and analysis increases the likelihood of community sector organisations and funders achieving their intended goals.

Issue #5 in the Bankwest Foundation Social Impact Series (Flatau, Adams and Seiwright, 2016) provided an overview of the state of play of outcomes measurement in the Western Australian community sector. The present report builds on these findings to examine the challenges to outcomes measurement faced by community sector organisations, presents their recommendations on priorities going forward and builds on that to develop key policy recommendations on how obstacles to outcomes measurement may be overcome, and details a strategy for promoting effective outcomes measurement in the future. Our analysis takes into account potential differences in the challenges faced by smaller relative to larger organisations and by organisations operating in metropolitan as compared with non-metropolitan regions.

Shared measurement was identified in Issue #5 (Flatau, Adams and Seiwright, 2016) as an emerging practice in the WA community sector. Shared measurement reflects increasing emphasis on the importance of collaboration in the community sector to achieve impact. In this report, we extend the analysis by presenting case study evidence of collaborative projects in Western Australia to illustrate how shared measurement is developing in Western Australia.

This report finds **significant support for outcomes measurement in the community sector. The funding of organisations to conduct outcomes measurement represents the greatest barrier to outcomes measurement among community organisations.** Insufficient funding is stated as a barrier at both the organisation level and the community sector level. The report finds that there is no **lack of interest from senior organisational stakeholders in outcomes measurement and that they do not represent a barrier to outcomes measurement.** Capability in terms of the use of tools of outcomes measurement is reported as a barrier by the majority of respondents, indicating that **outcomes measurement practice is still at the development stage for many organisations.** We find that **smaller and larger organisations experience barriers to outcomes measurement differently.** Metropolitan and non-metropolitan based organisations do not report significantly different experiences with barriers to outcomes measurement in the majority of cases. Finally, while collaborative and projects (including collective impact projects) are found in a number of cases in the WA community sector, **shared measurement for collaborative projects remains in its infancy.** Barriers experienced by organisations engaging in shared measurement are explored, and case studies of two organisations involved in collaborative community projects are presented.

Research was conducted in compliance with UWA Human Ethics protocol RA/4/1/7233.



## SECTION ONE:

### OUR SAMPLE

This research represents the first empirical examination of outcomes measurement practice in Western Australia. Our sample covered different types of community organisations operating in Western Australia, in terms of both size and sub-sector. To achieve this, we sampled from community sector charities that had operations in Western Australia, not just those that were headquartered in Western Australia. A total of 190 organisations fully completed the Outcomes Measurement in the Western Australian Community Sector Survey. The vast majority of those completing the survey were at an executive manager level or higher, or a Board member.

The organisations who responded to the Outcomes Measurement in the Western Australian Community Sector Survey represented a cross-section of community sector charities from small organisations (annual turnover of less than \$250 000) to medium sized and large organisations (annual turnover greater than \$250 000); from metropolitan and non-metropolitan based organisations; and different areas of activity. (Further details on the characteristics of the sample are provided in Issue #5 of the Social Impact Series.) This report provides insight into outcomes measurement practice across the full range of activities undertaken by the variety of different organisations that comprise the WA community sector.

## SECTION TWO:

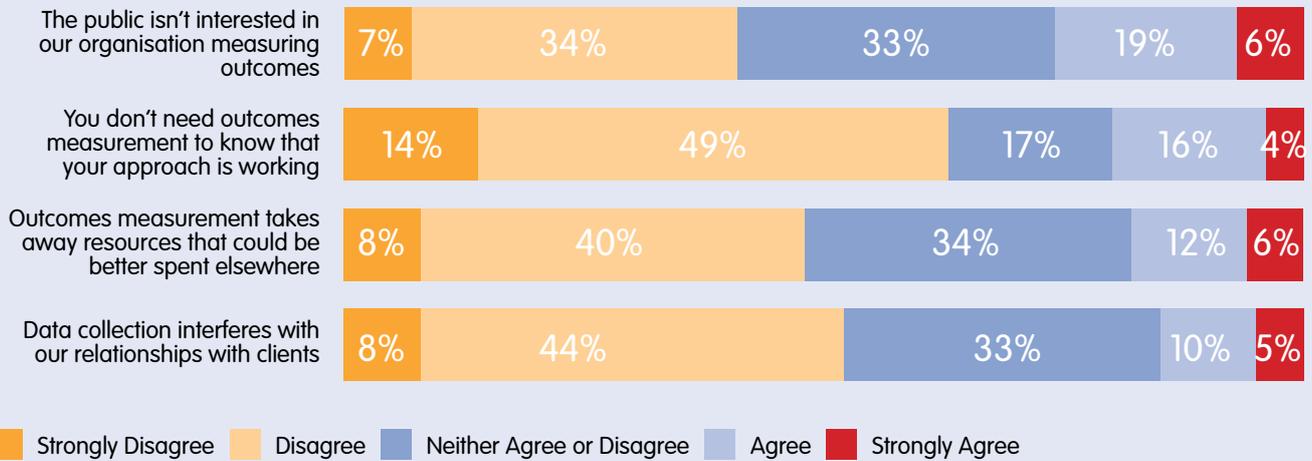
### SUPPORT FOR MEASURING OUTCOMES

The majority of respondents (72%) surveyed reported that their organisation engaged in outcomes measurement. There was strong agreement that outcomes measurement was useful for improving services and programs, planning and strategy, internal decision making, and resource allocation. Two-thirds of organisations reported increased effort towards outcomes measurement over the last five years.

Outcomes measurement represents a resource-intensive process and, at times, attracts negative sentiment around its usefulness and importance. We investigated how prominent some of the challenges to outcomes measurement identified in the international literature (identified in Issue #1) are among the sample of community sector organisations. Figure 1, below outlines some of these challenges of outcomes measurement, presented as 'negative sentiment' statements to respondents of the Outcomes Measurement in the Western Australian Community Sector Survey.

As the evidence from Figure 1 shows, the majority of respondents disagreed with the negative sentiments presented on outcomes measurement. For example, 63% of organisations strongly disagreed or disagreed with the statement "You don't need outcomes measurement to know that your approach is working", while only 20% agreed or strongly agreed with the statement; the remainder neither agreed nor disagreed. Similar results were evident with respect to sentiments that 'outcomes measurement takes away resources that could be better spent elsewhere' and 'data collection interferes with our relationships with clients'. In terms of the former statement, 48% of respondents strongly disagreed or disagreed with the sentiment that 'outcomes measurement takes away resources that could be better spent elsewhere' with only 18% agreeing or strongly agreeing with the sentiment. Only 15% agreed or strongly agreed with the sentiment that 'data collection interferes with our relationships with clients'. The largest agreement with a negative sentiment was with respect to the statement that 'the public isn't interested in our organisation measuring outcomes' where 25% either agreed or strongly agreed.

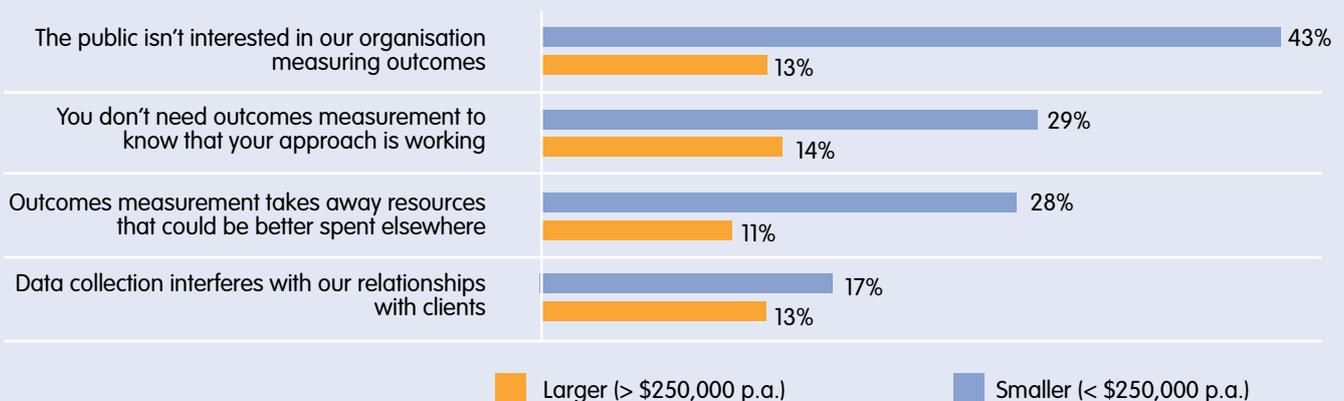
**Figure 1: Respondent organisations’ reactions to statements on outcomes measurement**



Source: Centre for Social Impact, UWA Outcomes Measurement in the Western Australian Community Sector Survey.

We can gain further insight into these issues by comparing responses from smaller and larger organisations; these findings are presented below in Figure 2. This shows that small organisations are significantly (at  $p < 0.05$  using t-tests) more likely than larger organisations to agree with negative sentiments against measuring outcomes. For example, 43% of the smaller organisations in our sample strongly agreed or agreed that the public isn't interested in their organisation measuring outcomes, compared with only 13% of larger organisations. Further, 29% agreed or strongly agreed that outcomes measurement isn't needed to know their approach is working and a similar figure (28%) believe that outcomes measurement takes away resources that could be used elsewhere. In all cases, less than 15% of larger organisations strongly agreed or agreed with these sentiments. These beliefs could be a product of the size of the organisation; smaller organisations, defined by annual turnover of under \$250,000 per annum, have fewer resources relative to larger organisations and thus may feel that allocating resources to outcomes measurement involves the sacrifice of critical organisational functions. Further, smaller organisations are typically less subject to public attention and, therefore, may feel that reports of outcomes would not reach a broad enough audience to warrant the aforementioned strain on resources.

**Figure 2: Respondent organisations either strongly agreeing, or agreeing to statements on outcomes measurement, by size of organisation**



Source: Centre for Social Impact, UWA Outcomes Measurement in the Western Australian Community Sector Survey.

Overall, these findings suggest that community sector organisations are strongly supportive of outcomes measurement and believe strongly in its efficacy, impact and public acceptance. This is evident for both smaller and larger organisations. However, there is a clear divide between small and larger community sector organisations in terms of the extent to which organisations of different sizes view challenges to outcomes measurement: smaller organisations are more likely to agree with statements challenging efficacy, impact and public acceptance than larger organisations.

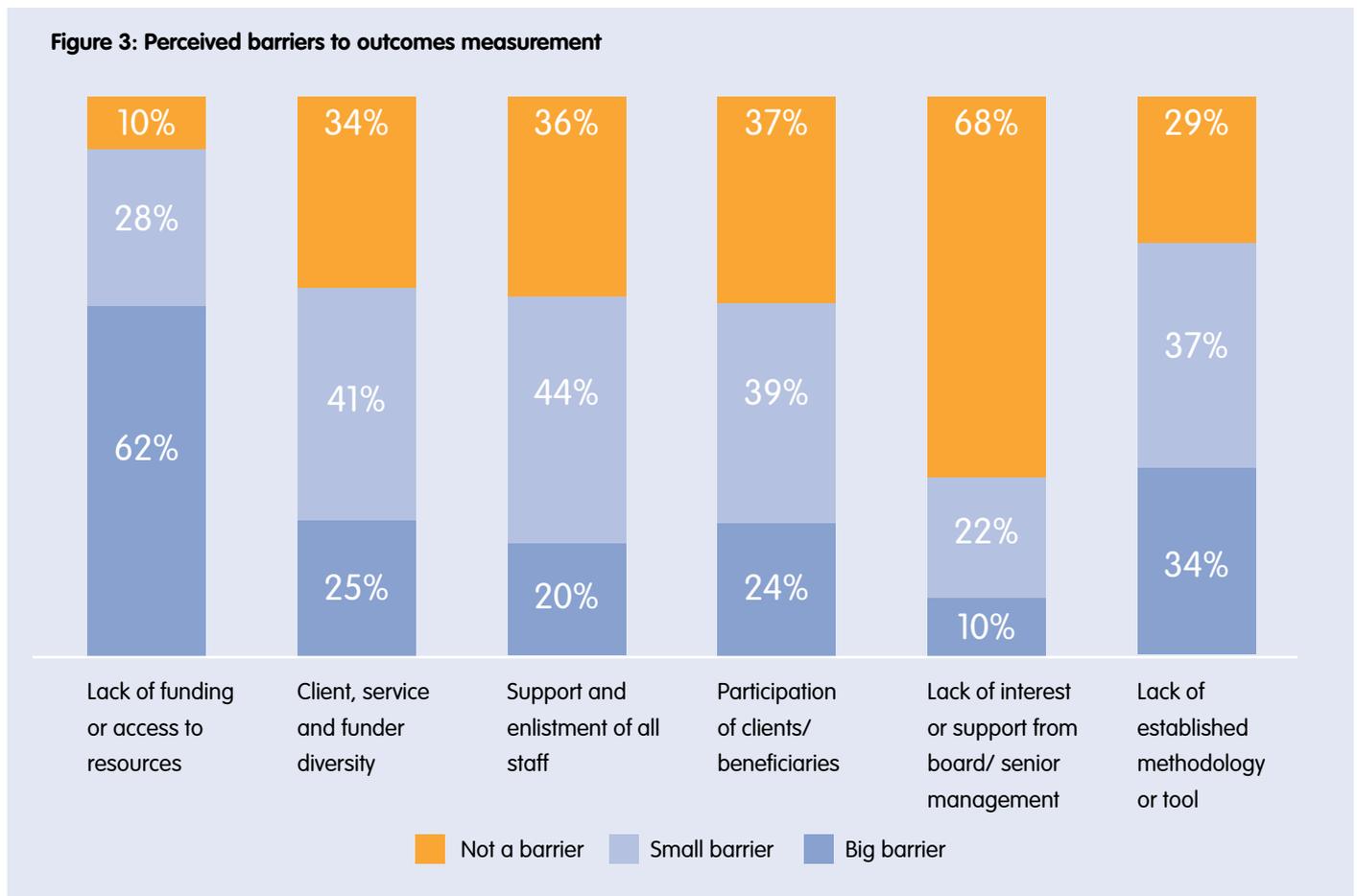
## SECTION THREE:

# BARRIERS TO OUTCOMES MEASUREMENT

In this section, we explore the barriers to measuring outcomes for WA's community sector organisations as perceived by community organisations themselves. We investigate these at two levels: barriers at the organisational level, and barriers at the community sector level.

### Barriers for organisations

At the organisational level, the most significant barrier to outcomes measurement, identified by 90% of the sample, is a lack of funding or access to resources (see Figure 3). This resource issue is a dominant one in the sector, and reflects the resource constraints community organisations face in many areas of operations, but most importantly in the area of outcomes measurement. Of those that identified lack of funding as a barrier to outcomes measurement the vast majority identified it as a big rather than small barrier.



Source: Centre for Social Impact, UWA Outcomes Measurement in the Western Australian Community Sector Survey.

As illustrated in Figure 3, the second most significant barrier is the lack of an established methodology or set of tools. This barrier was identified by 71% of the sample. This finding echoes that of similar studies in overseas jurisdictions (e.g., Hall et al. 2003, Milbourne 2009, Hall, 2012, Nonprofit Finance Fund 2014). These two barriers, a lack of funding and absence of an established outcomes measurement methodology tend to go hand in hand; the lack of funding to engage in outcomes measurement is also a barrier to developing an outcomes measurement framework and internal capability to implement the methodology (Botcheva, White and Huffman 2002). See Issue #1 (in this series) for a detailed literature review of the international outcomes measurement landscape.

Gaining the support of and enlisting staff for outcomes measurement was identified as a barrier by 66% of respondents. This is not surprising as gaining widespread support for any organisational change is a significant challenge, particularly with the constrained financial resources faced by most community sector organisations. Community organisations have also raised this issue at various events we have held surrounding this research program, noting that resistance to change is a common problem among staff; some staff report

that data collection and analysis associated with outcomes measurement is not why they work for their organisations, and some report that they lack the knowledge, skills and abilities. Notably, however, only 32% of the sample identifies a lack of interest from the board/senior management as a key barrier. Relative to other barriers, a lack of interest within the organisation does not present a significant barrier to outcomes measurement.

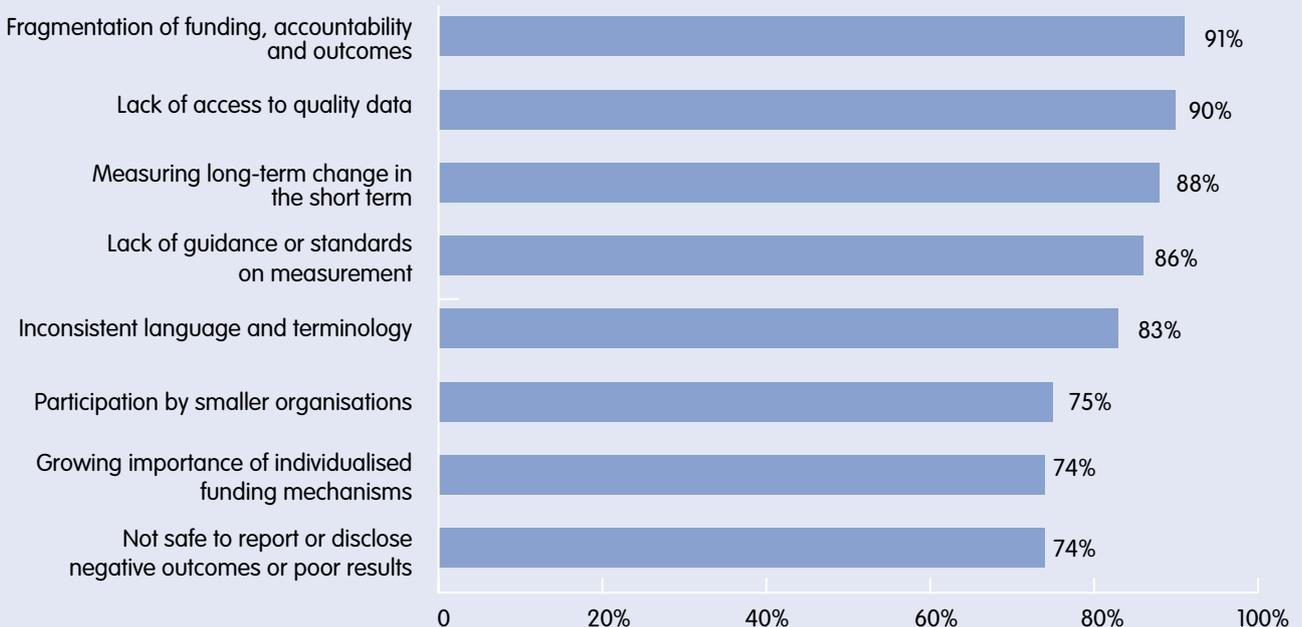
We compared the relative significance of these barriers between smaller and larger organisations and found that most of the barriers listed were identified significantly more by larger organisations than smaller organisations. The exception to this was the lack of interest from board/senior management, where 37% of smaller organisations agreed that this was a barrier, compared with 28% of larger organisations. This may suggest that smaller organisations perceive fewer barriers than larger organisations; however, this may also reflect the higher uptake of outcomes measurement among larger organisations i.e., larger organisations are more likely to perceive barriers to outcomes measurement because, overall, they're more likely to engage in the practice.

To further assess this, we compared responses to these barriers among organisations that don't measure outcomes to investigate if they experience these barriers differently to organisations that do measure outcomes. Overall, these results are similar to the analysis of smaller organisations, which is to be expected given the overlap of these two groups (smaller organisations are less likely to measure outcomes). That is, organisations that report not measuring outcomes (n=54) identified these barriers less often than those that measure outcomes, with the exception of 'lack of support from board/senior management' where 41% of organisations that do not measure outcomes identify this barrier (significantly higher than the 28% reported by organisations that measure outcomes). This suggests that while a lack of interest in outcomes measurement from senior management and the organisation's board do not present a significant barrier generally, it is a more prominent barrier for smaller organisations, and particularly organisations that do not engage in outcomes measurement. Lower levels of outcomes measurement practice appear to be linked to a lack of interest from senior management and boards among smaller organisations.

## Barriers for the sector

We extend our analysis by examining barriers to outcomes measurement across the community sector as a whole. Organisations were asked the following question: "Thinking about the whole sector as a whole, how significant are the following barriers to outcomes measurement?" A list of barriers was presented to respondents which were identified through consultation with key community sector stakeholders (as described in Issue #3 of this series). Figure 4 presents evidence of the proportion of respondents that agree that the following factors were barriers to outcomes measurement for the sector.

**Figure 4: Barriers to outcomes measurement at the community sector level**



Source: Centre for Social Impact, UWA Outcomes Measurement in the Western Australian Community Sector Survey.



The most commonly identified barrier to outcomes measurement at the sector level is a fragmentation of funding, accountability and outcomes in the sector. Many community sector organisations address social issues that inherently have multiple causes, yet report that funding and the reporting of outcomes are siloed and one-dimensional. With 91% of the sample identifying this fragmentation of funding, accountability and outcomes reporting as a barrier, the significance of this as a structural, systemic issue for the sector and for policy makers is reaffirmed with our survey data.

The next four most commonly identified barriers refer to some of the technical challenges of outcomes measurement – a lack of access to quality data (90%), measuring long-term change in the short term (88%), lack of guidance or standards on measurement (86%) and inconsistent language and terminology (83%). These technical challenges reflect the relatively recent focus on outcomes measurement in the community sector; quality data requires guidance and standards, consistent language and terminology, and takes time to collect. These barriers are also inherently interlinked; consistent language and terminology allow for the development of guidance and standards, which in turn facilitate the collection of quality data that allows for the measurement of interim (short-term) change. As a result, these barriers can and should be addressed together rather than taken separately.

Further tests revealed that smaller organisations were significantly less likely than larger organisations to identify each of factors listed as barriers. Once again, this may be explained by the lower prevalence of outcomes measurement amongst smaller organisations.

## SECTION FOUR: PRIORITIES FOR CHANGE

In the Outcomes Measurement in the Western Australian Community Sector Survey, we sought to identify how much support there was for different recommendations on how to improve outcomes measurement in Western Australia. We drew a list of 11 recommendations from our previous consultations with key stakeholders (reported in Issue #3 of this series). These recommendations were presented to community sector organisations in the Survey six/five at a time, in eleven different configurations to avoid any possible ordering bias. We asked our sample to select one recommendation as the most important and one recommendation as the least important in each configuration (see Table 1 for an example configuration).<sup>1</sup>

Table 1: 'Best' and 'worst' recommendations methodology- sample configuration'

Most Important (select one)	SET 1	Least Important (select one)
	Standard language and concepts	
	Sharing best practice	
	Guidance on using tools and methods	
	Greater recognition of client/consumer determined outcomes	
	Open data in government	
	Making outcomes measurement an external reporting requirement	
Most Important (select one)	SET 2	Least Important (select one)
	Specification of client/consumer outcomes in funding contracts	
	Full funding for outcomes measurement in contracts	
	Infrastructure for data collection and reporting	
	Eliminating differences in reporting between funders	
	Collaborative projects with shared outcomes	

Table 1: Example of a 'Best Worst' configuration presented in the Outcomes Measurement in the Western Australian Community Sector Survey.

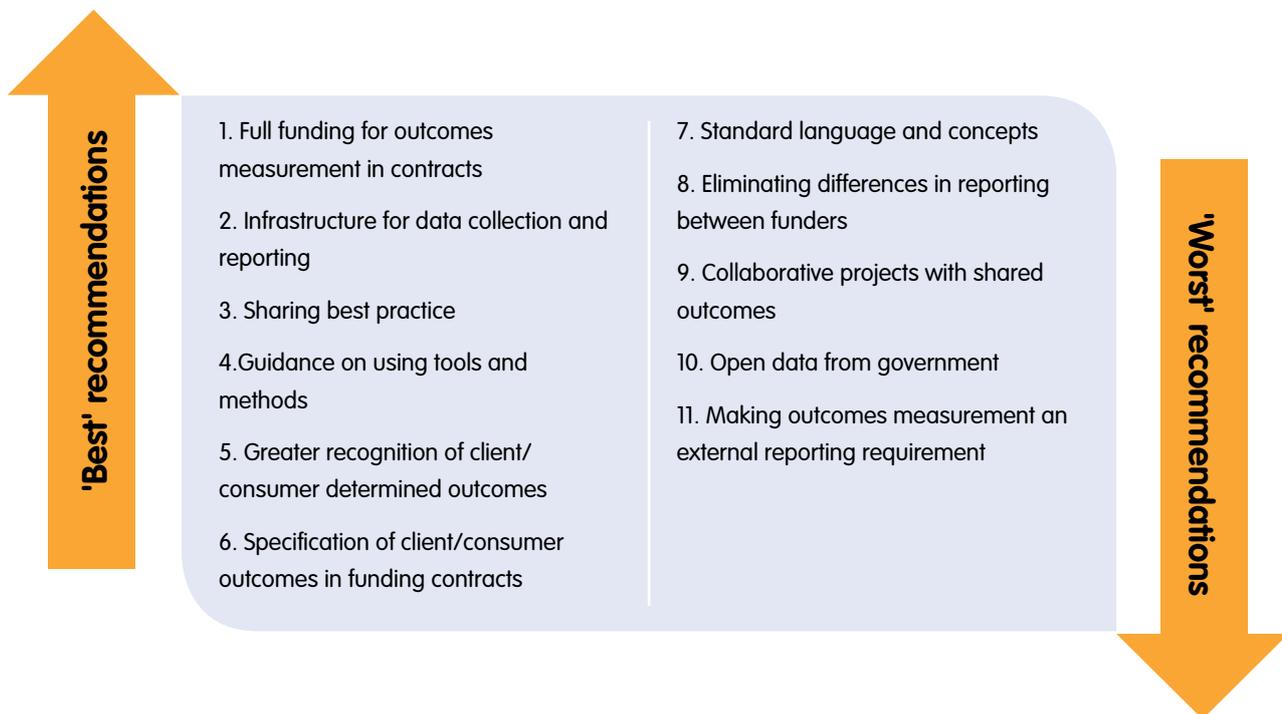
<sup>1</sup>Use was made of a best-worst scaling model of Auger et al. (2007). This allows each of these recommendations to be assessed relative to each other. Significant differences between small and larger organisations at  $p < 0.05$  is indicated with an asterisk. N=178

Figure 5, below, summarises the overall findings. What the findings reveal is that the recommendation “full funding for outcomes measurement in contracts” is the ‘best’ recommendation, according to our sample. This reflects our previous evidence on the identification of limited funding as a barrier to further outcomes measurement. The three next most important recommendations are: Infrastructure for data collection and reporting; Sharing best practice; and, Guidance on using tools and methods. These three recommendations, taken together, point to the importance of infrastructure, specific human capital formation and the development of hubs of knowledge sharing to the development of an effective outcomes measurement system in Western Australia.

The ‘least’ important recommendation was making outcomes measurement an external reporting requirement. This suggests that, in the absence of better funding for outcomes measurement, increasing reporting expectations of organisations are seen to be onerous. The recommendation of standard language and concepts was not identified as a ‘best’ recommendation, but guidance on using tools and methods was. This indicates that respondents feel that they understand the ‘what’ of outcomes measurement – the language and concepts, but not the ‘how’ - how to operationalise them for effective practice.

Interestingly, despite an increased focus on collaborative projects and shared outcomes measurement in the national and international landscape as well as in our own sample, this recommendation did not get high on the list of recommendations, using the best-worse scaling, for improving outcomes measurement.

**Figure 5: ‘Best’ and ‘worst’ recommendations**



Source: Centre for Social Impact, UWA Outcomes Measurement in the Western Australian Community Sector Survey.

Views on recommendations varied based on organisation size. Table 2, below, shows that smaller organisations identified “sharing best practice” as the best recommendation overall, followed by “guidance on using tools and methods” and “full funding for outcomes measurement in contracts”. In contrast, larger organisations identified “infrastructure for data collection and reporting” and “greater recognition of client/consumer determined outcomes”.

Table 2: ‘Best’ and ‘worst’ recommendations, by size

	Smaller organisations (<\$250k p.a.)	Larger organisations (>\$250k p.a.)
<b>BEST</b>	1. Sharing best practice*	1. Full funding for outcomes measurement in contracts*
	2. Guidance on using tools and methods*	2. Infrastructure for data collection and reporting
	2. Full funding for outcomes measurement in contracts*	3. Greater recognition of client/consumer determined outcomes*
	Small organisations (<\$250k p.a.)	Medium and large organisations (>\$250k p.a.)
<b>WORST</b>	1. Making outcomes measurement an external reporting requirement*	1. Making outcomes measurement an external reporting requirement*
	2. Eliminating differences in reporting between funders	2. Open data from government*
	3. Collaborative projects with shared outcomes	3. Standard language and concepts*

Source: Centre for Social Impact, UWA Outcomes Measurement in the Western Australian Community Sector Survey.

Note: \* denotes significant differences to the p<0.05 level

It is interesting to note the differences in recommendations between smaller and larger organisations. Smaller organisations selected recommendations that would offer support for beginning to engage in outcomes measurement while larger organisations sought logistical adjustments to improve their outcomes measurement practice. This finding, particularly when considered with the finding in our previous report (Issue #5 in this series) that smaller organisations are less likely to engage in outcomes measurement, is indicative of the different stages of maturity with regard to outcomes measurement practice. As many smaller organisations are still in the early stages of outcomes measurement, developing or looking to develop effective practice, the recommendations that would best help them are associated with the ‘start up’ of outcomes measurement. However, larger organisations, in general, have been engaging in outcomes measurement for longer and have encountered challenges in practice. As a result, the recommendations that appeal to them are those that would enhance and facilitate their ongoing practice.

## SECTION FIVE: SHARED MEASUREMENT

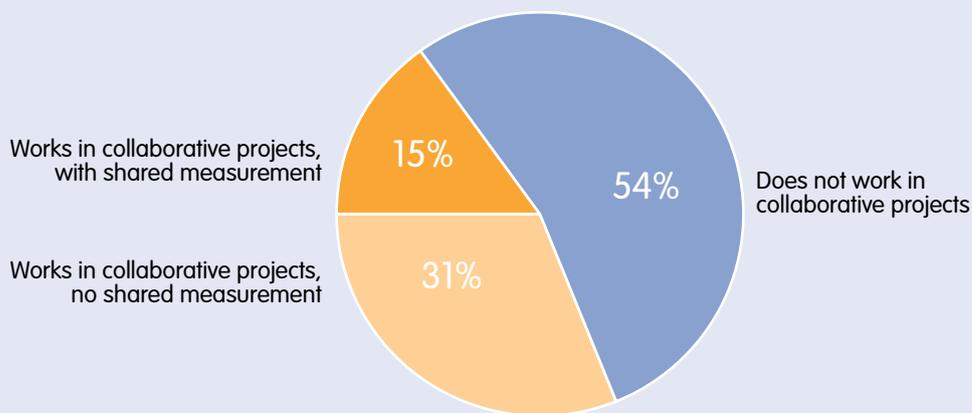
Finally, we examine the prevalence and challenges of shared measurement. Shared measurement occurs when:

“organisations working on similar issues developing a common understanding of what to measure and developing tools that can be used by charities, social enterprises and funders working towards similar goals” (Ógáin, Svistak, & Casas, 2013)

Shared measurement is often linked to collaborative and inter-organisational approaches to working in the community sector, such as collective impact (Kania & Kramer, 2011). Nearly half of our sample (46%) report being part of a collaborative or shared impact project. Participation in collaborative or shared impact projects is marginally more common amongst the larger organisations in our sample (48%) than smaller organisations (43%). However, this difference is not statistically significant.

Of those organisations that work in collaborative projects, only approximately one-third of these report using a shared measurement approach, with two-thirds not undertaking shared measurement. Overall, as Figure 6 below shows, this means that only 15% of our sample reported working in shared measurement approaches at the time of the survey. However, it is likely that this estimate represents a large rise on what the situation was a decade ago.

**Figure 6: Shared measurement in collaborative projects**

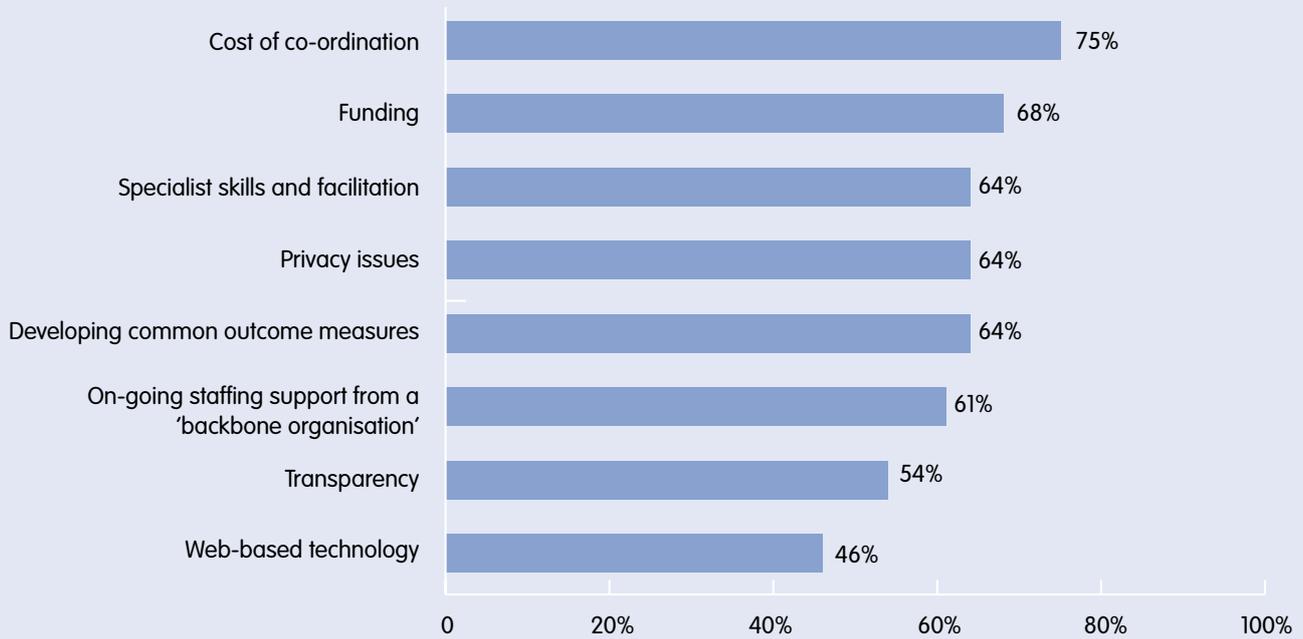


Source: Centre for Social Impact, UWA Outcomes Measurement in the Western Australian Community Sector Survey.

As part of the Outcomes Measurement in the Western Australian Community Sector Survey we gathered information on the barriers to shared measurement reported by organisations currently involved in a shared measurement project (n=28). These are presented in Figure 7, below. From these respondents, 75% identified the costs of co-ordination as a barrier to shared measurement, with funding (68%) identified as the second most significant barrier. These findings echo concerns expressed throughout our research regarding the resourcing and funding of outcomes measurement.

Further barriers to shared measurement identified include specialist skills and facilitation, privacy issues, developing common outcome measures (each identified by 64% of these organisations). Factors that appear to be less significant are transparency (54%) and web-based technologies (46%).

Figure 7: Barriers to shared measurement



Source: Centre for Social Impact, UWA Outcomes Measurement in the Western Australian Community Sector Survey.

Overall, these findings suggest that shared measurement remains in its infancy in WA. Although nearly half of our sample report that they work in collaborative or collective impact projects, only one third of these organisations undertake shared measurement for these projects. Further, large percentages of organisations that do engage in shared measurement experience large barriers, particularly around resourcing.

The following case studies illustrate how shared measurement is undertaken in two structured collaborations in Perth and the challenges they face.

## **Collaborative project and shared measurement case study: South West Metropolitan Partnership Forum**

The South West Metropolitan Partnership Forum (SWMPF) is a collective impact project which brings together not-for-profit organisations, government agencies, business, philanthropy, and community members in the Cockburn, Fremantle and Melville region. There are currently around 80 members who come together to address complex social issues in their region that cannot be addressed by any individual organisation in isolation. The foundation members first met in 2013 and the SWMPF officially launched in 2014, which also marked the beginning of the expanded leadership group. The Forum has taken steps to create shared measurement practices during its first two years of operation.

The SWMPF established a set of shared outcomes, which include:

- More effective and coordinated service delivery;
- Improved social, cultural and economic outcomes for the community;
- Collaborative decision making in place;
- Consumers have a voice in service development strategies; and
- Consumers are able to make informed choices on services.

The working groups each have their own set of outcomes. For example, the Davis Park Working Group set the following shared outcomes:

- Davis Park residents feel safe and supported in their community;
- Children and young people are engaged in education, vocational and recreational activities; and
- Residents report that Davis Park is a good place to live.

These were developed jointly by the working group members and a baseline survey was conducted at the outset of the project. The development of a set of shared outcomes across all four of the working groups has assisted the membership to focus their joint activities on results.

It is critical that the shared measurement framework, including data sources and methods of collection, be agreed by the membership, including government departments from which much of the quantitative data will be sourced. Determining robust qualitative data collection is also important; it will need to be blended into ongoing operations, at designated points in time, using qualitative data collection methodologies. Bringing together quantitative and qualitative results can also inspire members and demonstrate the value of their collaborative efforts.

For collective impact initiatives with broad geographical and sectoral membership such as in SWMPF, access to, and standardisation of, data is challenging. It is important to identify a limited number of key indicators which will demonstrate change, for which data is available, and have dedicated people to collect and analyse that data.

There are a number of key factors that are likely to ensure successful shared measurement practices in the future of the SWMPF. Ensuring the entire membership of the Forum shares an understanding of the importance of shared measurement is critical. Full support and buy-in from the leadership of all member organisations is also essential. This would facilitate the collection of data, and encourage staff to see collaboration in the Forum not as additional to their jobs, but rather a different and hopefully effective way of working.

A strong backbone organisation is one of the five key elements of a collective impact initiative and is critical for establishing and maintaining effective shared measurement practices. The SWMPF currently has backbone support of 1.5 full time employees whereas more mature collective impact initiatives in North America, for instance, have a minimum of six full time staff members in the backbone entity. This speaks to the need for greater and more sustainable funding for backbone organisations.

## **Collaborative project and shared measurement case study: 50 Lives 50 Homes**

50 Lives 50 Homes is a collaborative project lead by Ruah Community Services. The project aims to prove that it is possible to end homelessness. This will be achieved by initially housing 50 of the most vulnerable homeless people in Perth using a Housing First approach. The project demonstrates the strength of collaboration and purpose by bringing together 42 homelessness service providers, government agencies, housing providers and specialist services to provide access to long-term housing and wrap around support.

Key elements of the project are:

- A validated triage tool to identify rough sleepers who are very vulnerable;
- Access to long-term housing through Housing Authority and three community housing providers – Foundation Housing, Access Housing and Community Housing Ltd.;
- Regular working group meetings for partner agencies to develop collaborative case management approaches and explore innovative practice;
- After hours and weekend support for people housed from a team of case managers and nurses; and
- Interagency steering group to oversee the project and address service gaps.

To support the collaboration, there is a backbone of 1.4 full time equivalent staff and a steering committee comprising leadership of the partner organisations.

The 50 Lives 50 Homes project is directly connected to Perth Registry Week and seeks to coordinate housing and support to those identified as the most vulnerable of the homeless population; both during the Registry Week survey and through ongoing surveys which will be added to the database. The data gathered during Registry Week include valuable information and photographs of individuals and the acuity of their need.

This data alone cannot measure the outcomes of the campaign itself. In order to measure the difference made by 50 Lives 50 Homes, data is collected in relation to housing and support services. This is effectively achieved for housing outcomes, such as the number of people who are housed, the duration of the process into housing, and reasons for exiting. For support services, however, outcomes are much more difficult to measure. Service providers are responsible for collecting data, which has presented challenges as funding is typically directed at the service delivery, not measurement or evaluation. It can sometimes be very time consuming to collect data and may get in the way of completing core work tasks. It is also difficult establishing standardised processes and indicators that enable collective analysis of data across the whole collaboration. In addition, issues related to consent and confidentiality present challenges in the sharing of data between organisations.

One clear benefit of the collaborative approach is the opportunity for accessing data from services such as the WA Police and Royal Perth Hospital, which would have otherwise not been possible. It is also evident that many service providers are using the Outcomes Star tool for both case management and measurement, which may provide a starting point for the development of standardised measurement practices.

The key factors to ensure success in the future include the continuation of the established shared values and commitment between all partner organisations, the development of a standardised framework for measuring shared outcomes, and sufficient funding for the backbone support required for successful shared measurement.

## SECTION SIX:

### THE WAY FORWARD

In previous reports, we have discussed various ideas for how to further develop the future of outcomes measurement in Western Australia (See Issue #3 and Issue #5 in this series). In this section, we provide some reflections and discussions on some of these ideas, categorised into the domains of funding, data, standardisation, collaboration and capacity building.

#### Funding

Throughout our research, funding is identified as a persistent issue impeding the ability of community service organisations to measure their outcomes. For example, Issue #3 recommended the inclusion of full, separate funding for outcomes measurement in contracts and requests for tender. A lack of funding for outcomes measurement has been consistently reported by community service organisations in our research as a major barrier to outcomes measurement practice (see Section Three Page 6).

Funders have increased their focus on outcomes measurement, as noted by key stakeholders in Issue #3. This has translated into action on outcomes measurement: a change in funder requirements was reported as a driver increased outcomes measurement by 63% of larger community service organisations in Issue #5. However, this increase in demand from funders has not been met with a concomitant increase in support for outcomes measurement: over 80% of community service organisations reported that funding for outcomes measurement was rarely or never provided by funders, regardless of the funder type (state government, federal government, corporate funding, or institutional philanthropy).

Section Three of this report finds that funding is experienced as a barrier at the organisational level, with 90% of organisations reporting a lack of funding or access to resources as a barrier to outcomes measurement, and full funding for outcomes measurement being selected as a 'best' recommendation for both smaller and larger organisations. The issue of funding for outcomes measurement is also reported in Issue #5: 76% of organisations reported that general internal funds were the usual source of funding for outcomes measurement and only 7% indicated that outcomes measurement was funded from a specific measurement or evaluation fund.

Funding was also a barrier to outcomes measurement at the sector level, where fragmentation of funding, accountability and outcomes was experienced as a barrier by 91% of organisations. As reported in Issue #3, this particular funding barrier is attributed by community service organisations to a lack of understanding on the part of funders of the complexity of client needs and the corresponding complexity of programs and outcomes that are required to address those needs.

Funding is experienced as a barrier across organisations and as a systemic issue across the sector. Therefore, the recommendation for full, separate funding for outcomes measurement, presented in Issue #3, is strongly affirmed. Our research highlights several factors that also need to be addressed in order for this recommendation to be implemented:

- Funders and community service organisations alike need to recognise the benefit of outcomes measurement.
- The cost of outcomes measurement needs to be recognised; measurement of outcomes cannot be expected without allowances for the financial and human capital expenditure required.
  - Community service organisations should include outcomes measurement plans and associated expenditure when applying for funding and;
  - Funders should evaluate the rigour, feasibility and cost-benefit of the community sector organisation's outcomes measurement plan in funding applications. Applications with measurement of outcomes factored in to the proposed activity and budget should be a determinant of application success.
- If funding is received for outcomes measurement, community sector organisations need to ensure that the funding is reserved specifically for outcomes measurement.

## Data

Several issues around data were noted as impeding outcomes measurement practice by funders and community service organisations in Issue #3. This led our recommendations for transparency and open data from government, infrastructure for data collection supported by government, and a core set of common outcomes items.

In analysing the barriers to and recommendations for effective outcomes measurement practice regarding data, we find some mixed results. While 90% of respondents report that a lack of access to quality data is a barrier to outcomes measurement and infrastructure for data collection and reporting was a 'best' recommendation for larger organisations, open data from government was listed as a 'worst' recommendation (for larger organisations). Further, no recommendations that pertain to data were regarded as 'best' or 'worst' by smaller organisations. These differences in data priorities between smaller and larger organisations may reflect the different stages of outcomes measurement practice; as larger organisations are more likely than smaller organisations to engage in outcomes measurement, they are more likely to encounter barriers relating to infrastructure and data collection.

The selection of open data from government as a 'worst' recommendation by larger organisations is interesting. It may be a matter of priorities: data from external sources such as government may be considered a secondary priority when compared with collecting data and developing infrastructure specific to the organisation. This is not to say that open data from government is not still a valid recommendation and of substantial importance to outcomes measurement in the community sector. Instead, it indicates that it may become more pertinent once outcomes measurement infrastructure and practice becomes more established.

Despite open access to government data not being identified as a recommendation by community sector organisations in our sample, we believe that access to government data and particularly linked administrative data can be extremely powerful in measuring outcomes. The potential of linked administrative data is evident in Issue #3, where key stakeholders identified the complexity of client needs and the resulting array of outcomes that indicate these needs are being met as a barrier to outcomes measurement. Given the ability of linked administrative data to track outcomes across social domains, it is a resource that should be used to capture the full impact of programs.

A lack of guidance or standards on measurement was reported as a barrier to outcomes measurement by 86% of respondents. A lack of standardisation affects data collection and analysis for outcomes measurement. If different funders want different outcomes reported for similar programs and social issues, and different community service organisations deploy different data collection instruments and processes to measure the same outcomes, then it is difficult for organisations developing outcomes measurement practice to know where to start, and it is impossible to analyse the aggregate impact of the whole community sector.

Therefore, our research sheds further light on the issue of data for outcomes measurement:

- Larger and smaller organisations experience different issues with data and have different perspectives. Specifically, smaller organisations are less likely than larger organisations to identify recommendations regarding data as important to improving outcomes measurement practice.
- Differences between larger and smaller organisations are likely to be a result of lower prevalence of outcomes measurement among smaller organisations.
  - This indicates that issues around data present as barriers during practice rather than as a barrier to beginning outcomes measurement.
- Procedures and infrastructure for the collection of organisation-specific data are considered more relevant to outcomes measurement practice than access to government data by community service organisations.
  - We posit that access to data from external sources such as government will become more useful once internal practices are established and widespread.

In sum, our research indicates that community sector organisations are currently prioritising their own infrastructure and data collection procedures. We propose that this is because outcomes measurement is a relatively new practice (in terms of the entire history of the community sector). However, usage of government and linked administrative data is crucial to effective and comprehensive outcomes measurement, thus we anticipate its importance to community service organisations will increase as outcomes measurement practice becomes more established across the sector. Ideally, community service organisations will recognise the value of government and linked administrative data and will integrate it into their outcomes measurement plans and practice as outcomes measurement becomes more prevalent across the sector. Regardless, we recommend that standard procedures to access government and linked administrative data are developed by government as community sector organisations continue to develop their internal outcomes measurement capacity.

### Standardisation

Issue #3 recommended the standardisation of language, key concepts and outcomes reporting requirements across all stakeholders. The results of the Outcomes Measurement in the Western Australian Community Sector Survey are interesting in this regard. While inconsistent language and terminology was identified as a barrier to outcomes measurement, standard language and concepts was not identified as a 'best' recommendation by smaller or larger organisations. Instead, sharing best practice and guidance on using tools and methods were selected as 'best' recommendations overall, and were ranked as the first and second 'best' recommendations for smaller organisations. Once again, the selection of recommendations by smaller organisations that would help in the early stages of outcomes measurement reflects the lower prevalence of outcomes measurement among smaller organisations (indicating that they're still establishing practice). Further, lack of guidance or standards on measurement was identified as a barrier to outcomes measurement by a greater percentage (86%) of community sector organisations.

The lower reporting, in relative terms, of standard language and concepts as a recommendation for or barrier to outcomes measurement is a positive indicator for outcomes measurement practice in Western Australia – community service organisations generally understand what outcomes measurement is, which was also reflected in the similarity among definitions of outcomes measurement offered by key stakeholders in Issue #3. Therefore, the issues of standardisation are shifting from language and concepts around outcomes measurement to actual practice – methods and tools. This emphasises the need for a core set of outcome measures, as recommended under the data recommendations in Issue #3, and widely available core tools that can be used by any organisations which have programs intended to affect outcomes in a particular domain.

Different reporting expectations were also identified as a challenge to outcomes measurement (see Issue #3). In particular, community sector organisations spoke of the resource intensiveness of meeting individual data requirements from a range of different funders. This is exacerbated by complex clients often receiving services from multiple organisations, making the attributable impact of any one organisation difficult to ascertain. Consequently, in order to fully capture the impact of services on the client, the combined provision of service needs to be paired with an outcomes measurement approach that accounts for the interdependence of client needs and outcomes. First and foremost, for the development of integrative approach to outcomes measurement to be feasible for community sector organisations, funding specifically for outcomes measurement needs to be provided. However, addressing different reporting requirements by funders also requires the development of more standardised practice across the sector in terms of tools and measures. Once standard practice is developed, community service organisations can specify the outcomes they will measure and the methods that will be used to do so in funding applications, reducing the scope for vastly different expectations between funders.

In sum:

- Standard language and concepts are now perceived as less pertinent, relative to guidance on methods and tools, to effective outcomes measurement.
  - Community sector organisations generally understand what outcomes measurement is and are now seeking standardisation in terms of how to engage in it.
- Different reporting requirements across stakeholders are an issue that needs to be addressed by both funders and community sector organisations.
  - Funders need to provide funding specifically for outcomes measurement and consider if their needs can be met by standardised information or reporting;
  - Community sector organisations need to establish standard practice – what and how they're going to measure – which will enable them to outline outcomes in funding applications, reducing the potential for different funder expectations.

## Collaboration

Collaborative and collective impact projects and shared measurement systems to accompany these collaborative projects were identified in Issue #1 as a potential direction for the WA community sector (Flatau et al. 2015; Milbourne 2009). The initial cost outlay and level of intra-sector leadership and collaboration required was noted as a significant barrier to developing a sector-wide shared measurement system (Flatau et al. 2015). The issue of how to fund and who is responsible for the set up was of infrastructure for shared measurement was also echoed as a challenge in our consultations with organisations. As a result, examining shared measurement within the context of collaborative projects was put forward as a recommendation in Issue #3 as a way of evaluating the potential efficiency and effectiveness of shared measurement for the broader sector.

Results from the Outcomes Measurement in the Western Australian Community Sector Survey indicate that collaborative or collective impact projects and shared measurement within these projects are still nascent in the Western Australian community sector. Less than one third (n=28) of community sector organisations that reported involvement in a collaborative or collective impact project were engaged in shared measurement for that project. Of these 28 organisations, the costs of coordination and funding were reported widely (by 75% and 68% of organisations, respectively).

Examination of two prominent initiatives in Western Australia that involve shared measurement identifies significant potential along with several challenges that need to be considered to ensure both the success of the program and the measurement of said success. The South West Metropolitan Partnership Forum (SWMPF) involves tri-sector collaboration to bring about change in social outcomes in the Cockburn, Melville and Fremantle region. The SWMPF has two levels of shared outcomes; one set of broad outcomes for the forum as a whole, and more specific sets determined by individual working groups within the forum. The '50 Lives, 50 Homes' project, led by Ruah, involves the collaboration of 20 government and non-government agencies targeted at issues of housing and the complex needs of homeless individuals. The use of shared measurement and particularly sharing of data in both of these projects allows for a much more comprehensive understanding of and holistic approach to meeting client needs, which should translate to better client outcomes.

Challenges to shared measurement identified by representatives from the SWMPF and the '50 Lives, 50 Homes' project are very similar, and include recognition the importance of shared measurement across member organisations and arriving at a shared understanding of what should be measured, how and who should measure. Identifying who is responsible for outcomes measurement – the individual, the organisation or the system – was identified as a challenge to shared measurement in our consultations with organisations, particularly with the rollout of individualised funding. In addition, funding for the development of a strong backbone organization dedicated to establishing and maintaining the shared measurement system is a critical need.

In sum, the development collaborative or collective impact projects and shared measurement projects in Western Australia is too recent to evaluate the effectiveness of shared measurement and assess its potential for the broader sector. However, the shared measurement space (including the two cases presented) should be monitored over the next 1-2 years, as it develops and success can be evaluated.

### Capacity building

Professional development and the building of capacity within community sector organisations for outcomes measurement was put forward as a recommendation in Issue #3. Data from the Outcomes Measurement in the Western Australian Community Sector Survey reinforce this recommendation as particularly important. Specifically, the call for standard tools and guidance on using them indicates that many organisations, particularly smaller organisations, still feel they lack complete knowledge and ability to engage in outcomes measurement.

Low access to professional development for outcomes measurement was identified as an issue in our survey (see Issue #5 in this series). A minority of organisations (40% of larger organisations and 8% of smaller organisations) reported access to training for staff in data collection, and even less (23% of larger organisations and 8% of smaller organisations) reported access to training for staff in data analysis. Staff capacity was also identified by key stakeholders (see Issue #3 in this series); one community organisation representative stated that while employees may consider outcomes measurement a part of their job, it is low on their list of responsibilities. Interestingly, those organisations we consulted with suggested that government can support community sector organisations' capacity building by sharing knowledge and data. This is very much needed as capacity at the organisation level was not reported as high – only 47% of larger organisations and 15% of smaller organisations reported access to technology-assisted data collection, and only 5% of larger and 4% of smaller organisations reported having a research and evaluation unit.

In sum,

- Overall, community service organisations desire further support for professional development capacity building:
  - Smaller organisations, in particular, seek the sharing of best practice and guidance on guidance on using tools and methods.
- Professional development and capacity building should be facilitated through cross-sector collaboration.
  - Community service organisations should share their successes and failures, and ideally come together to establish standardised outcomes measurement practice.
  - Costs of professional development can be distributed if organisations engage in training courses together.

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Flatau P, K Zaretzky, S Adams, A Horton and J Smith (2015), *Measuring Outcomes for Impact in the Community Sector in Western Australia*, Bankwest Foundation Social Impact Series No. 1, Bankwest Foundation, Western Australia.

#### #2 - August 2015

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Barraket, J, S Barth and C Mason (2015). *Resourcing social enterprises: approaches and challenges*, Bankwest Foundation Social Impact Series No. 2, Bankwest Foundation, Western Australia.

#### #3 - October 2015

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Adams, S, P Flatau, K Zaretzky, D McWilliam and J Smith (2015) *Measuring the difference we make: The state-of-play of outcomes measurement in the community sector in Western Australia*, Bankwest Foundation Social Impact Series No. 3, Bankwest Foundation, Western Australia.

#### #4 - April 2016

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#### #5 - July 2016

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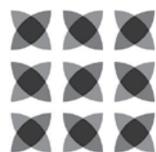
#### #6 - October 2016

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Seiwright, A, P Flatau, S Adams and C Stokes (2016) *The future of outcomes measurement in the community sector*, Bankwest Foundation Social Impact Series, No. 6, Bankwest Foundation, Western Australia.



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