

Assessing the contribution of the Not for Profit Sector

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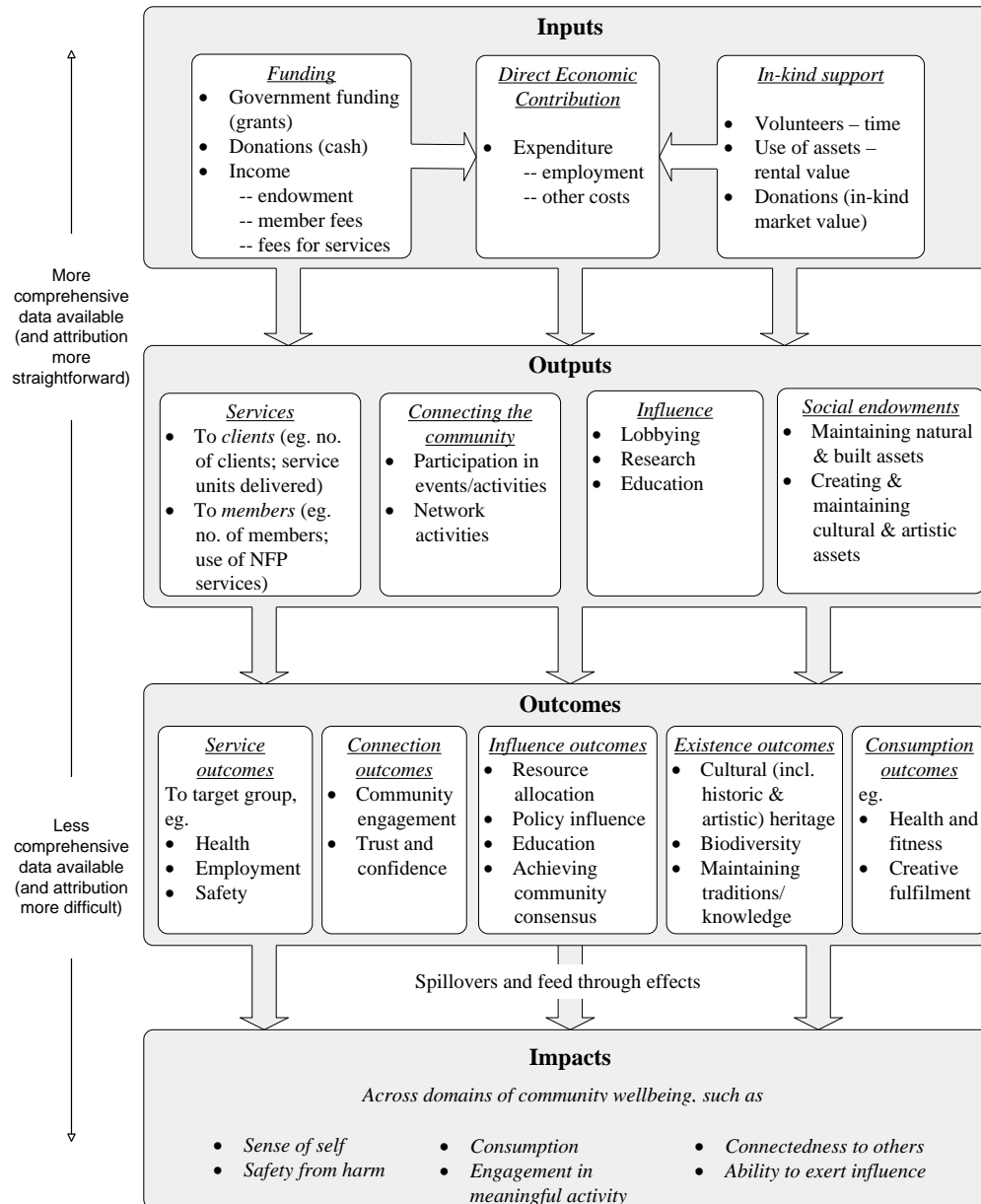
The Not for profit Sector study

- Measuring the contribution of the sector
 - Role of a measurement framework
- Improving the capabilities of the sector
 - Registration and regulation
 - Sustainability of the workforce – paid and voluntary
 - Sustainability of funding and access to capital
- Government funded service delivery
 - Enhancing efficiency and effectiveness
- Competitive neutrality, taxation treatment of donations

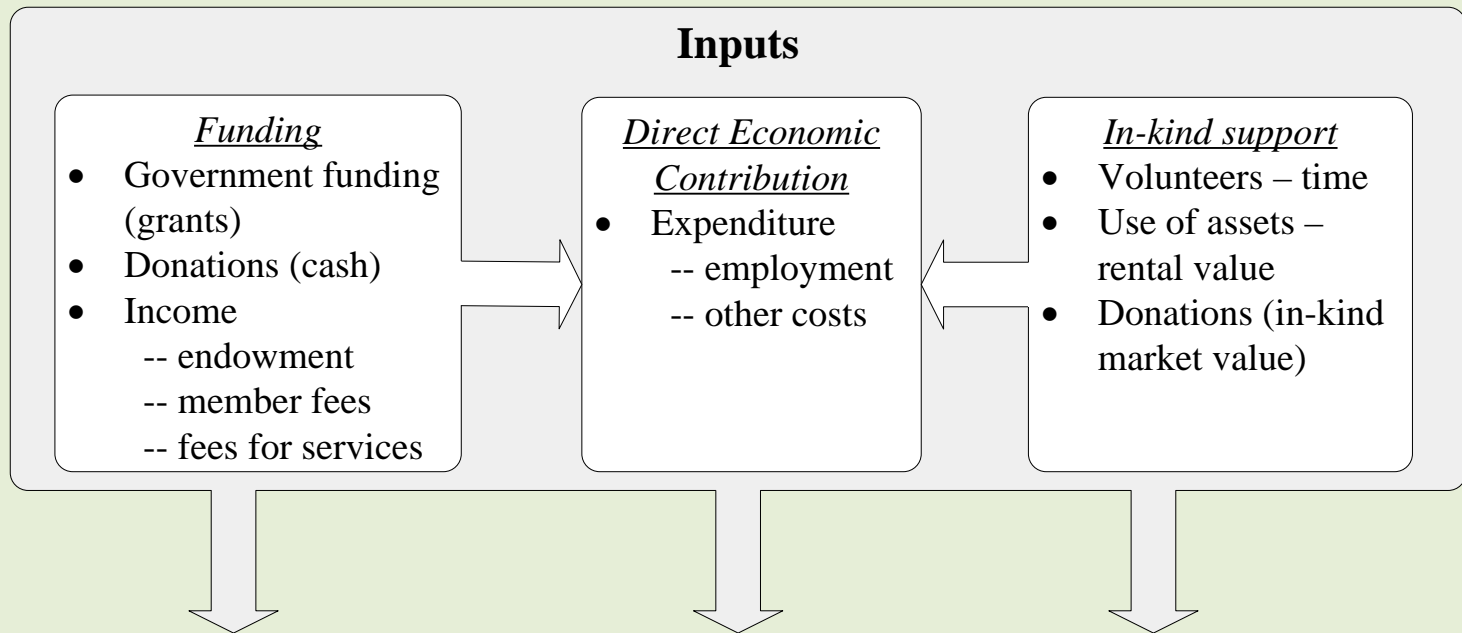
Why measure?

- Indicator of significance of the sector – influence
- Baseline understanding of structure – understanding and monitoring the impact of policy change
- Organisation and program level accountability to funders
- Learning about what works and why – improving effectiveness
- Facilitates sharing the lessons, understanding the context

Draft framework for measuring contribution



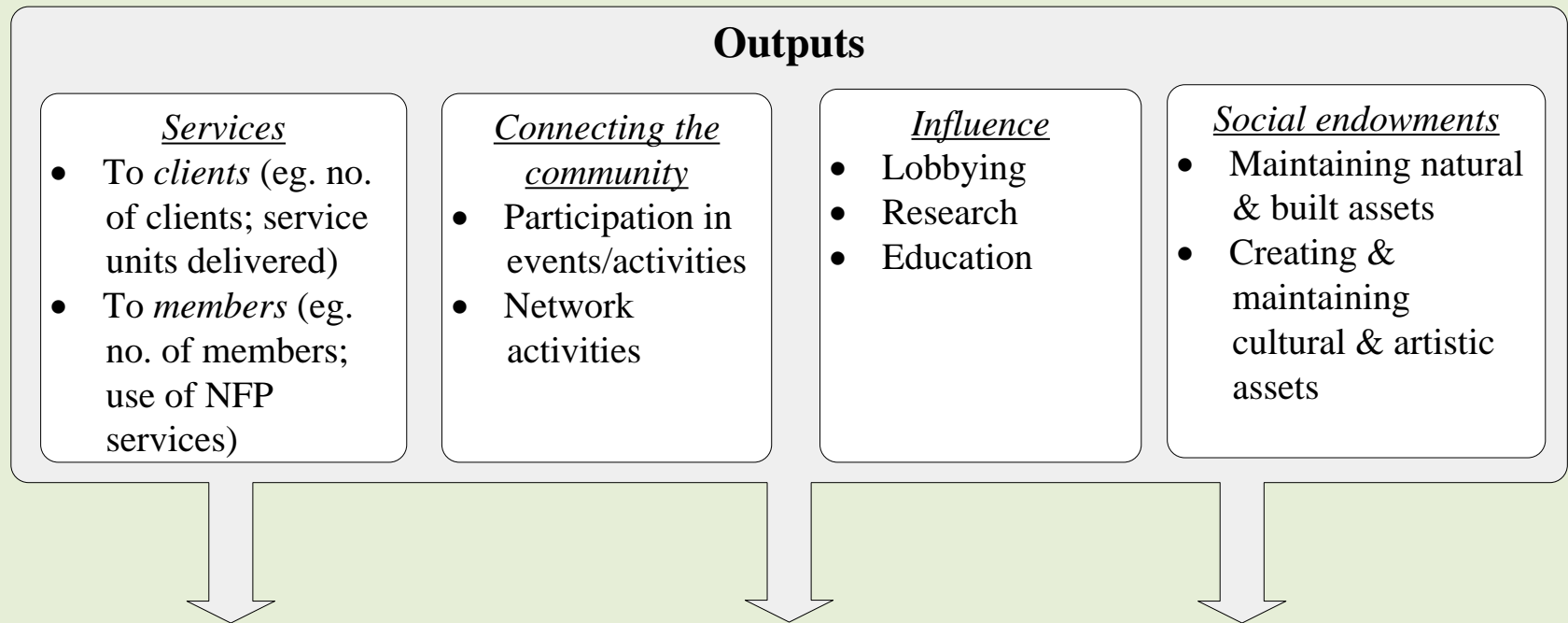
Measuring contribution: inputs



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- Inputs are the resources used by the sector (including staff and volunteer time; funding sources; and facilities).
- Some inputs can be relatively straightforward to measure, but provide a (very) incomplete measure of the sector's contribution.
- Input data are available from a number of sources including the ABS and the Australian Institute of Health and Welfare.
- The ABS satellite account (due to be released later this year) will provide estimates of value added by groups within the sector. These are based on input value, including volunteer time.

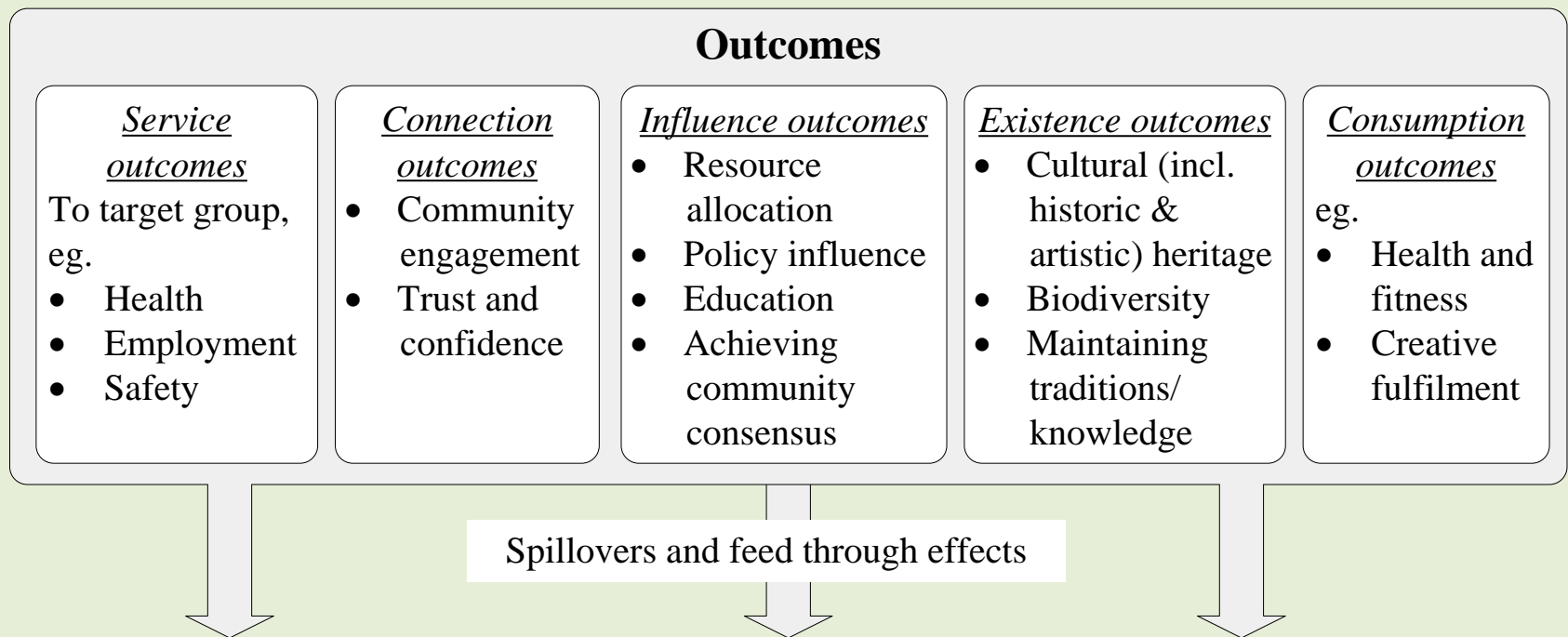
Measuring contribution: outputs



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- Outputs are the direct results of the sector's activities, including
 - Services delivered to clients or members
 - Activities that connect community members
 - Influence products, such as research papers
 - Building or maintaining the endowment of social assets
- Outputs can be measured at the organisation (eg. number of clients served) or program level.
- Physical outputs can be counted, but quality can be hard to measure.
- Process outputs that arise because of the way the sector operates are harder to measure.

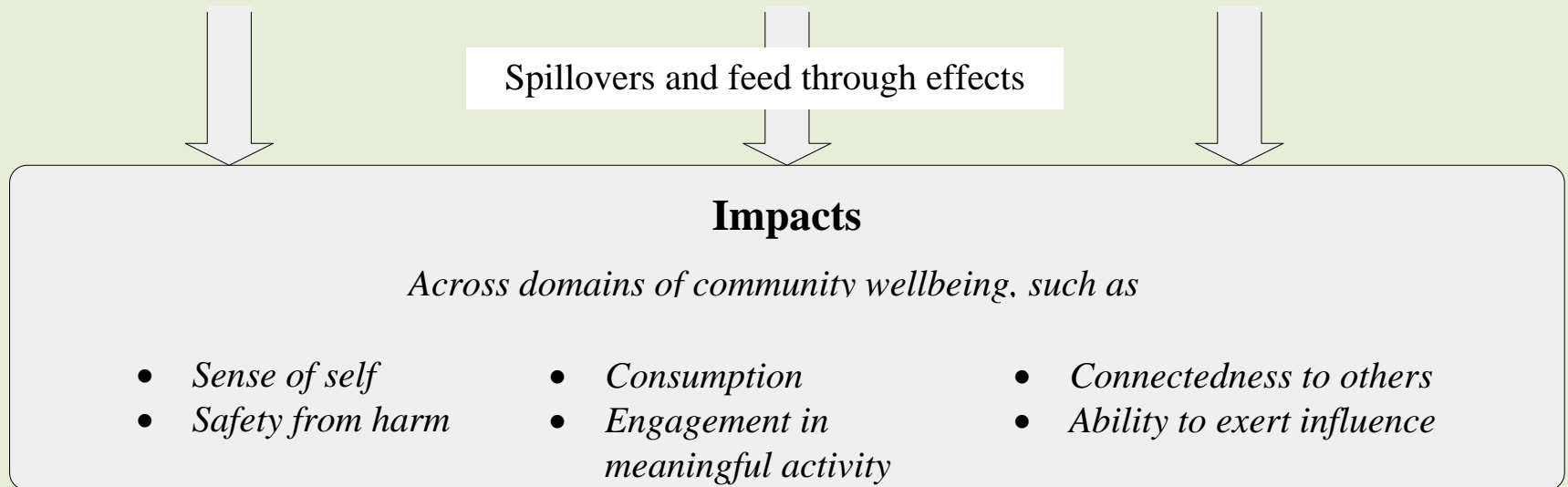
Measuring contribution: outcomes



Measuring contribution: outcomes

- Outcomes deliver the ultimate value to the direct recipient of the sector's outputs.
- Measuring some intangible outcomes (eg. quality of life or improved social networks) can be difficult.
- While some outcomes occur only as a result of not for profit activities, others may result from a combination of activities (eg. social welfare outcomes may also be the result of government policy initiatives). Consequently, attribution can be a problem.

Measuring contribution: impacts



Measuring contribution: impacts

- Impact measures look beyond target recipients to the effects on the broader community over time.
- The impact depends on the collective value placed on outcomes by members of the community.
- Impacts are reflected in community wellbeing indicators which can be difficult to interpret.
- Impacts are usually the result of the interaction of a number of causal factors (including the activities of not for profit organisations). As a result, attribution is impossible.
- At best the **contribution** made by the not for profit can be assessed.