

Are we there yet?

Reflections from the NSW Government on the journey towards outcome-based contracting and where to go from here



Measuring & Evaluating Social Outcomes 2021



Acknowledgement of Country

NSW Government acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.


We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork: 'Regeneration' by Josie Rose 2020


What to expect from today's session?

A session with the NSW Department of Education and Office of Social Impact Investment on how NSW Government has evolved its approach towards building impact measurement capability and building a market for outcomes with the social sector, with a specific focus on youth employment.


Learning along the way what has worked, what hasn't and what more needs to be done, we will share insights into the road ahead for outcomes based contracting and why it is important that the public, private and for purpose sector embed an outcomes focus into how we deliver impact for people of NSW.



4. Reflecting on key learnings from NSW Government **youth employment programs**



3. Collaborating with the sector to **evolve the approach** of measuring social impact



2. **Successes and challenges** with operating outcomes based contracts, and insights into the road ahead.



1. Key **drivers of change** for measuring outcomes



Key drivers of change

Why did we shift towards measuring outcomes?

Status quo

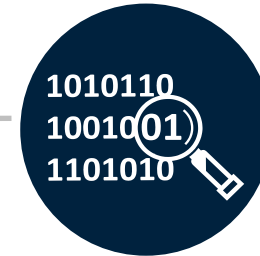
Weak evidence –
little evidence of
what works and for
whom

Potential waste –
no incentive for
continuous
improvement

Government
processes stymy
innovation

Limited
understanding of
the lifetime cost of
poor outcomes

Need new ways
to address fiscal
challenges



Outcome-measurement approach

Inform decision-
making & innovation –
whether to 'do more',
iterate & innovate

Government measures
and/or pays for success
and outcomes which
limits wastage

Outcomes
contracting fosters
community
solutions and
innovation

Use data to
understand service
usage and target
investment

Contribute to
broader systems
change & best
practices

Has it worked?

Successes and challenges with operating outcomes based contracts



A rise in the number of outcome-based contracts



Policy learnings from the investments that have and have not worked so well



Greater capability across sectors



Ability to compare performance of providers and approaches



Value creation for NSW



Rigour in outcome measurement and verification remains complex



Investments are time consuming to develop



Need to balance tailoring outcomes whilst still comparing key metrics



Allowing for flexibility in contracts in times of crisis



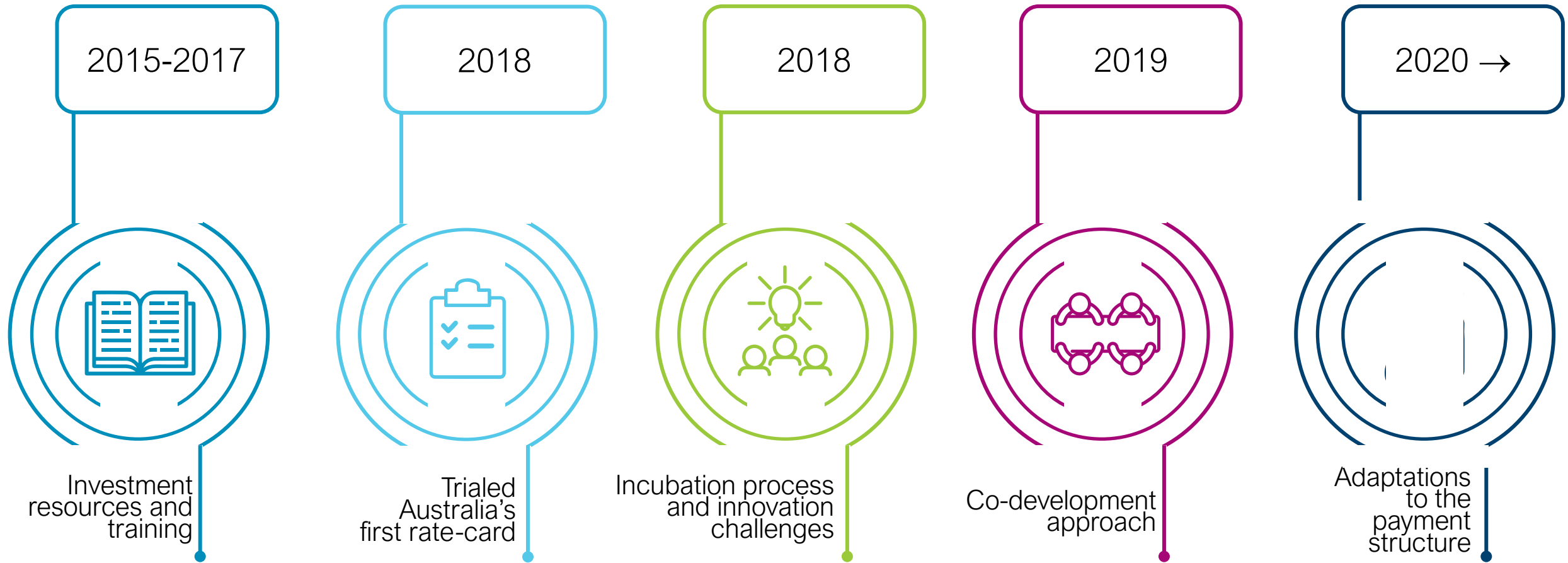
Managing long term and difficult to quantify outcomes





How have we adapted and changed?

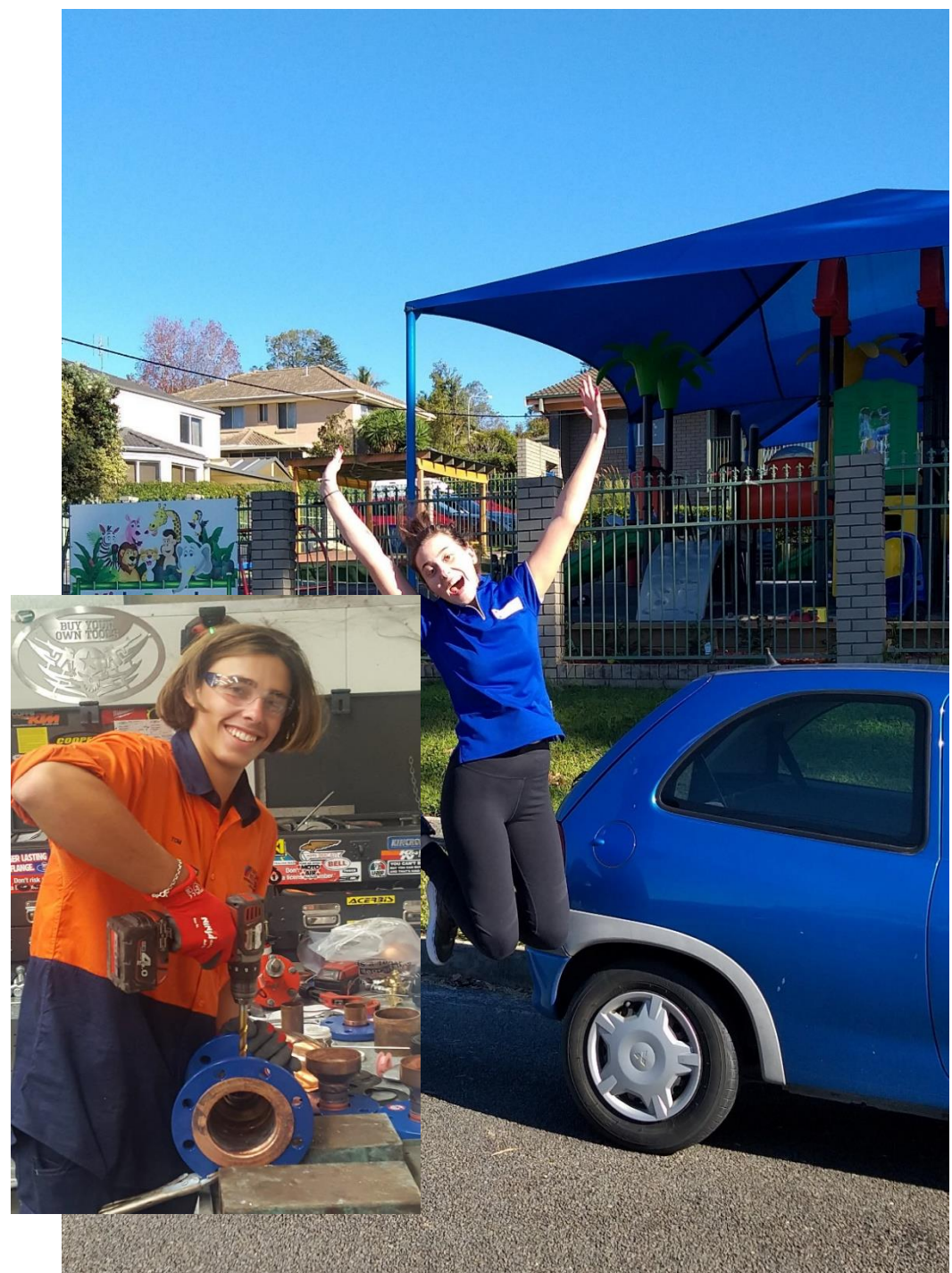
Collaborating with the sector to evolve the approach of measuring social impact



Reflecting on key learnings from NSW Government youth employment programs



- ▶ Smart, Skilled & Hired Youth Employment
 - 15-24 year olds
 - 4 regions, 10 providers
 - 12,500 participants
 - 3,300 long term employment outcomes
- ▶ Smart, Skilled & Hired Youth Employment Innovation Challenge
 - 15-24 year olds
 - 6 regions, 12 providers
 - 816 participants
 - 410 commenced employment
- ▶ Youth Employment Social Impact Program (new)
 - 2 regions, 3 providers
- ▶ Sticking Together Project (ongoing)
 - 3 regions, 1 provider



Key Learnings

from NSW Government youth employment programs



Engagement

- Person centred
- Addressing barriers to employment
- Meaningful & sustainable jobs



Collaboration

- Ability to share learnings
- Maximise Government involvement
- Program values
- Relationships built between providers employers & government



Outcomes

- Meeting KPI's
- Introducing milestones as outcomes can take time
- Finding the right leading indicators is important
- Quantitative measures not the only key measurement



Consequences

- Deal with poor performance
 - Fearless conversations
- Active contract management
 - Promote success



Proven results

- Robust evaluation
- Accurate data entry
- Great case studies
- Clearly articulate success to business case



Improvement

- Continuous improvement
- Processes
 - System

Key takeaways



● Outcomes measurement, though sometimes complex, improves transparency, incentivises performance, increases innovation and is a valuable tool for any organisation

● Capability within government and the sector has progressed but needs to grow further, particularly around verification of outcomes and embedding flexibility into contracts

● The NSW Government remains committed to streamlining the approach with the social impact sector

● Organisations should familiarise themselves and align outcomes with government outcomes frameworks, and start identifying and measuring key milestones as indicators of impact as well as short and long term outcome measures.