Compass Institute Inc.

Social Return on Investment (SROI)
Evaluation Report
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National Disability Services

NOTES AND THANKS

This report was made possible by National Disability Services Queensland (NDS Qld) who funded a project to utilise the Social Return on Investment (SROI) evaluation methodology in a number of organisations in the disability sector in Queensland, Australia.

NDS is the Australian peak body for non-government disability services. Through the provision of information, representation and policy advice NDS promotes and advances services that support people with all forms of disability to participate in all domains of life.

The purpose of the project is to explore the SROI methodology and determine if it would provide a pathway to broaden the discussion in service delivery beyond outputs to outcomes.

The Compass Institute Inc. must be thanked for their commitment to this project; many resources have been diverted by Compass to facilitate their involvement in this project. Special thanks must also go to the trainees, carers and other stakeholders who also dedicated their valuable time.

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GLOSSARY

The following is a glossary of key terms used in this document.

Attribution	Attribution is the extent to which other events or activities contribute to the outcome separate from the activity being assessed.
Deadweight	Deadweight refers to the amount of change that would happen if there was no intervention.
Drop Off	The rate of reduction in the effect of the outcome over the duration of the outcome.
Duration	Duration is the length of time the outcome lasts.
Impact Ratio	The impact ratio is the ultimate summary of an SROI assessment. It is a ratio that represents the value created for each dollar invested in the activity being assessed. The impact ratio holds little meaning without understanding the judgements made in determining how and what to measure (as set out in the SROI report) and the final calculation (as set out in the impact map). The impact ratio in this report is based on present value with a recommended discounting rate of 6%.
Impact Map	The impact map is generally represented as a spreadsheet. For the activity being assessed the map details the relationship between inputs, outputs, outcomes and the financial value placed on these. It also provides some summary detail behind the impact ratio
Indicator	An indicator is the way of determining what change has occurred for each outcome.
Kaizen	A method of continuous improvement and is a practice of improving all areas of our lives.
Outcome	An outcome denotes the change(s) experienced by stakeholder(s) as a result of the activity being assessed. Outcomes are not to be confused with outputs and outcomes form the focus of the SROI methodology.
Proxy	The proxy is a valuation used to price an outcome. It is an approximate valuation of the change as described by the relevant stakeholders.
Social Role Valorisation	This theory states that a person who is valued by society is likely to have greater access to the good things in life such as an education, dignity and respect (Osburn, 2006)[1]

[1] Osburn, J. (2006). An overview of Social Role Valorization theory. *The SRV Journal*, *1*(1), 4-13.

EXECUTIVE SUMMARY

This report is a Social Return on Investment (SROI) assessment of the Education and Training Units of Compass Institute Inc (Compass).

The assessment is a part of a larger project, 'The Social Impact Project', commissioned by National Disability Services Queensland (NDS Qld). The Social Impact Project arose from a desire to explore the use of the SROI methodology as a tool to evaluate services.

Compass volunteered as a pilot site for an SROI assessment. The Education and Training Units were selected as the focus of this assessment as they are two very closely aligned services within the total Compass offering. The scope is evaluative and encompasses a 12-month period during 2012–2013.

Compass is an organisation founded on the principles and practice of Aikido, a traditional Japanese martial art. To this the organisation brings a strong philosophy of Social Role Valorisation and the discipline of continuous improvement known as *Kaizen*. These are applied in daily service provision to bring to life the organisation's vision: 'exploring the art of life'. The daily lived practices create outcomes for three key stakeholder groups: trainees with intellectual disability, carers and trainees' broader family unit. Through consultation with these and other members of the Compass community the following outcomes were identified and valued as part of the SROI assessment process:

- Capacity and will to learn
- Autonomy
- Social inclusion
- Healthy life
- Self-worth
- Peace of mind and confidence in trainees' future
- Capacity to do other things
- Family functioning

Three other outcomes were identified; however, on assessment they were determined as not sufficiently material to the impact of the Education and Training Units. These are outlined in the outcomes section of this report. While excluded, we believe the 'social capital' outcome warrants further understanding when viewing the value of Compass as a whole.

The final impact of the Compass Education and Training Units was determined by applying the indicators, proxies and impact methodology of the SROI framework. The resulting impact ratio is 1:10.31. In other words, for every $1 Compass invests in the Education and Training Units $10.31 of value is created. To fully understand the context of this ratio it is important to understand the judgements applied during the assessment process. As such they are outlined in detail within the outcomes section of this report.

We would like to thank the openness of the Compass community—the stakeholders, staff and members of the broader community— for their participation during this SROI assessment and trust this report will be useful to future service development.

INTRODUCTION TO THE PROJECT

This project was commissioned by National Disability Services Queensland (NDS Qld) as part of a desire to explore the use of the Social Return on Investment (SROI) methodology as a tool to evaluate services. The purpose of the project is to determine the usefulness of the SROI methodology in assisting the shift of conversations with stakeholders and funders from outputs, such as hours of service delivery or number of people supported, to demonstrated impact or outcomes. Current reporting on outputs does not enable differentiation between how services are delivered and what outcomes are achieved through differing approaches. Outcomes are now of greater importance and being able to provide evidence of these is becoming increasingly important as the sector moves towards individual choice and mobile funding.

SROI METHODOLOGY

The tool selected by NDS is the SROI framework, developed and published by the SROI Network[2]. This framework is a methodology that arose from a program on measuring social value funded by the UK Government. The SROI assessment is designed to include a broader perspective on value by measuring change created and using a stepped process to value that change economically. The methodology relies on a set of principles which are applied during the assessment:

- involve stakeholders
- understand what changes
- value the things that matter
- only include what is material
- do not over-claim
- be transparent
- verify the result

As part of the NDS project a number of people were trained in this methodology and this has been a learning experience for all involved. Throughout this assessment we have attempted to identify and articulate what has been learnt in order to make recommendations for future use of this tool by both services and NDS.

REPORT SCOPE

To achieve the overarching purpose of this project two services were selected to apply the SROI methodology: Compass (the subject of this report) and ALARA (the subject of a separate report). Compass is a member of the NDS network and volunteered to be a pilot site. Two closely linked Compass programs have been selected for this assessment:

1. Education Unit (Tertiary)
2. Training Unit

[2] For more information about the SROI Framework visit: http://www.thesroinetwork.org/publications/cat_view/29-the-sroi-guide/223-the-guide-in-english-2012-edition

These two units have purposes that are aligned and apply similar methodologies and thus it is useful to view the impact of these activities collectively. Both units have a breadth of subjects based within an accredited competency-based framework. Subjects include literacy and numeracy, social and vocational training. The difference between the two is that the Education Unit is an extension of the secondary school environment and the subject matter is more generic, covering educational, social and vocational contexts. The Training Unit is another step removed from the schooling context and the emphasis shifts from the social to the vocational context and on practicing the application of skills in a vocational context.

This SROI study is an evaluative one; however, it is anticipated that Compass personnel can then use this work as a basis for forecasting. The time period for the assessment is the 2012–2013 financial year.

About Compass and the Education and Training Units

Palmwoods is a small township in the Sunshine Coast hinterland and it was here in 2003 that Compass started its journey by providing post-school services to three people with an intellectual disability. Now, in 2014, Compass has more than 30 staff and provides services to more than 70 people with disabilities, their families and carers in Caboolture, Caloundra, Gympie and Palmwoods.

Compass is a unique organisation in Australia in that it is founded on the principles and practice of a traditional Japanese martial art, Aikido; Compass is an alignment of resources and philosophy that creates a medium in which people with a disability can practice learning and applying life skills that benefit them and others. This notion is captured within the Compass vision statement as: "Exploring the Art of Life".

Compass is overt in stating that their service is not for everyone and they do not exist to provide activities which simply occupy a person; all activities serve the purpose of exploring the art of life. In this sense the Compass activities are a daily expression of their vision and mission. Whilst the actions of Compass may generate an alternative future state their practice in the present is also the reason it exists. The following is a description of Compass' service offering[3]:

1. Information Exchange and Induction
    - This is essentially the first contact phase of the relationship development: learning about each other.
2. Focus Unit
    - Developmental program for people with special or high needs.
3. Enrichment and Community Program
    - A lifetime of flexible personal development and growth.
4. Education Unit Tertiary
    - Education in a broad range of subjects.
5. Training Unit
    - Skills-based training towards a variety of vocational outcomes.
6. Pre-vocational Unit
    - On-the-job training and transitional employment in Compass businesses.
7. Supported and Unsupported Employment
    - Available through Compass Social Enterprises or Placement scheme.

Generally, a person with a disability joins Compass as a trainee after leaving the school system. They then enter into an appropriate Compass program and then choose to move between the options as their skills, maturity and independence develop. Ultimately people with a disability may be able to acquire a set of skills that enables a choice of workforce participation.

[3] Compass Institute Inc. (2014). *Compass Institute Inc. Strategic Plan Draft.* Compass Institute Inc.

THEORY OF CHANGE

In the SROI methodology the theory of change is intended to articulate the intention of the service provision and highlight the activities that are the sources of value and how they relate to the outcomes (the change the service is expecting to see). In working through this process the Compass community were able to articulate not only the theory but also the underpinning philosophy (outlined below).

UNDERPINNING PHILOSOPHY

There are three key aspects of the underpinning philosophy that were evident in working with the Compass community: Japanese martial arts, Social Role Valorisation and *Kaizen*.

AIKIDO

As mentioned, Compass has evolved within the philosophy of the Japanese martial art Aikido. The CEO of Compass, Sensei David Dangerfield has an international profile as a highly respected and qualified practitioner of Aikido. Many of the staff members and trainees are trained in Aikido and the martial arts practice forms part of Compass' weekly activities.

SOCIAL ROLE VALORISATION

This theory states that a person who is valued by society is likely to have greater access to the good things in life such as an education, dignity and respect (Osburn, 2006)[4]. Compass are purposeful in ensuring that people with disabilities are seen in their local communities doing useful and valued activities and also behaving, and being supported to behave, in ways consistent with social norms. Doing so encourages the valuing of the person with a disability by their friends, family and community.

KAIZEN

The last philosophy, *Kaizen*, like Aikido, is also of Japanese origin. It is a method of continuous improvement and is a practice of improving all areas of our lives. Hence the Compass approach that learning is an essential and nourishing way of life.

While we are not completely unfamiliar with Japanese martial art philosophy, Social Role Valorisation theory and *Kaizen* philosophy, we are conscious of not having the same level of understanding or spiritual connection with the Compass' philosophy. It is our observation in working with the Compass community that these three are evidently more than simply statements of belief and do form the basis of thoughts and actions in service delivery. All three philosophies sit comfortably alongside each other and collectively have a strong, guiding presence within Compass.

[4] Osburn, J. (2006). An overview of Social Role Valorization theory. *The SRV Journal*, *1*(1), 4-13.

COMPASS' THEORY OF CHANGE

The delivery of the activities in the Education and Training Units follow the Compass script based within Japanese martial arts philosophy. The approach includes practice, repetition and systematically applying this enhanced ability to a diversity of selected activities. This builds skills and confidence that in turn enable greater independence and inclusive behaviour.

Trainees seen in this pursuit project a valuable status to others and, in turn, others then bestow a greater valued status on trainees. This status enhances the self-esteem of the trainees that then feeds back into this generative system to amplify subsequent learning.

Similarly, the process of training also generates feedback that enables Compass to improve itself as a learning medium. In this way Compass, the trainees and the broader community are co-creating the conditions that best enable learning and application.

An observation of this last feedback cycle illustrating the learning focus or *Kaizen* is evident in this anecdote:

> *John*[5] *has been involved as a trainee in Compass for three years. At first John found it difficult to learn the skills he wanted to have because the way we were training wasn't enabling John to learn. John taught us to change the way we did things and this has helped both himself and others. Most recently John went on a holiday with his parents because he had learnt to apply the skills he needed to be in an unfamiliar place. John's family hadn't been on a holiday together ever before. When John's mum told us this story she had tears of joy in her eyes. (David Dangerfield)*

Compass' Theory of Change is not a linear process; rather it is circular and the practice itself creates a virtuous cycle of value creation and application.

[5] All trainee names used throughout this report are pseudonyms, used to ensure anonymity.

THE STAKEHOLDERS

Stakeholders are an essential part of the SROI methodology. They provide evidence of the difference to their lives as a result of the activity being assessed. Thus, determining which stakeholders to include or exclude in the assessment is an important first step. A stakeholder list was initially developed from staff interviews. Representatives of each stakeholder group were then asked if the list was accurate or required expansion. All of the stakeholder groups on the subsequent list are discussed here along with the rationale for inclusion/exclusion.

Whether a particular stakeholder group is included in the calculation of the SROI is based on the principles outlined in the SROI framework, in particular whether they experience outcomes as a result of what is being assessed. Regardless of inclusion or exclusion all groups are outlined below as part of the story of the Compass community.

TRAINEES

Trainees are considered the primary beneficiary of Compass' activities. Engagement with trainees was based upon several visits to Compass at Caloundra, Palmwoods Central and the Palmwoods farm. During the visits many spontaneous conversations and interactions with the trainees also occurred, enabling us to substantiate the trainees' and carers' perceptions expressed in the more formal interview and focus group settings.

Having some experience in communicating with people with learning disabilities, we facilitated six small trainee focus groups along with Sally Rhyanen (Compass Service Manager) who is a highly skilled communicator and intimately familiar with the trainees' needs within the group. It has to be said that we found this process especially rewarding and it gave us great insight into the trainees' perceptions of Compass and also the professional standards of Compass staff. Importantly, after the initial focus groups several follow-up focus groups were held to test the distillation of outcomes.

CARERS

This group includes the parents or carers of the trainees. They were able to articulate benefits experienced as a result of the Education and Training Units' activities that were relevant for them as well as validate the stories told by trainees about the benefits they experience.

Samples of the trainees' carers were consulted three times. Firstly, three one-on-one interviews were held to garner these parents' perspectives about Compass. These initial interviews then informed the structure of the second consultation phase, being two evening parent focus groups. Importantly, these focus groups were held in the evenings of the days on which the trainee focus groups occurred. This then enabled us to seek feedback from carers about the perceptions of the trainees. Once again Sally Rhyanen attended all parent groups and was able to co-facilitate the sessions. The level of familiarity and trust that Sally was able to bring to these sessions enabled very insightful and at times moving stories.

COMMUNITY

Compass is very engaged in the communities it operates within. There is an argument that the whole community benefits as a result of increased participation of its citizens and that the strength of a community is in this active participation. This is explored in the outcomes section; however, this group was ultimately excluded from the final assessment as being beyond the scope of this assessment.

THE STAFF AND THE ORGANISATION

Standard SROI practice excludes outcomes for Compass and its staff as being included in the SROI calculation. However, there were two areas relating to staff and organisational outcomes where we felt it was important to share in this report despite the final exclusion of value. The discussion of these two outcomes is included in the outcome section of this report.

FUNDERS

Queensland's Department of Communities, Child Safety and Disability Services (DCCS&DS) funds Compass and this funding directly supports the Education and Training Units. We determined that the funders in this case are a 'purchaser' of services and thus the outcomes of the services are not related to or experienced by the funders; they do not experience increased value directly from the services. This stakeholder group was excluded from this assessment. They are included in the impact map (see Appendix) to demonstrate their involvement in providing inputs.

FINANCIAL CUSTOMERS

This group includes people or organisations that have purchased a product or service from Compass. These transactions may range from the purchase of some jars of chutney through to regular users of the garden and maintenance crew. For the most part this is a business transaction and while it could be argued that it is a transaction that has some 'feel good' element this is not extensive and some of the increased awareness and appreciation of what the trainees accomplish is accounted for in the increased social inclusion outcome. Therefore none of these stakeholders were directly included in this assessment.

CORPORATE PARTNERS

Corporate Partners are individuals or companies who work in other businesses and who are engaged in Compass activities. This engagement includes, but is not limited to, visits to the farm or training activities, attendance at Compass events, and participation and organisation of fundraising events. Two stakeholders from this group were interviewed as part of this assessment and based on these interviews this group was excluded from this assessment as any outcomes they experience are not derived directly from the Education and Training Units, but rather from the organisational activities as a whole.

INPUTS/OUTPUTS

TRAINEE INPUTS

Trainees' primary input into the Education and Training Units is attendance and application. In keeping with the standard SROI practice their inputs are not included in the SROI calculation. Nevertheless, in keeping with the holistic notion of the Art-of-Life, it is important to accentuate how the trainees are an essential agent in the design of the learning process because of the continuous, incremental improvements (*Kaizen*) in program delivery that their feedback prompts. Hence, the trainee is not a passive recipient of information; rather, they are co-creators of knowledge within a cycle of improvement.

CARER INPUTS

Carer inputs are non-financial. They participate in trainees' goal setting and many of them support the trainees in applying the skills they learn at Compass in the home environment.

STAFF/ORGANISATION INPUTS

The organisational inputs included in the assessment are the funds that are over and above the funder contribution, created through fundraising and income-generation activities. Staff time is represented in the operational costs which are split between the income represented here and the funding discussed below.

FUNDERS

The funding inputs are outlined in the impact map (see Appendix).

OUTPUTS

The outputs listed in Table 1 are directly related to the key statistics for the Education and Training Units of Compass for the period of the assessment. Some of these are used in the final calculation of impact. These are shown in the impact map (see Appendix).

Table 1. Output statistics relevant for the period of evaluation

Attendance type	**No.**
Trainees	47
Education Unit – Hours of attendance	13,950 hrs
Training Unit – Hours of attendance	20,430 hrs
Carers	73

OUTCOMES AND THEIR IMPACT

The SROI method is designed to create a focus on the outcomes of activities rather than the activity itself; in other words, *what* has changed, for *whom*, by *how much*, and what is the *value* of the change.

This section presents the outcomes chosen for each stakeholder group and the rationale for their subsequent valuation. For each outcome there is a discussion about how the outcome is evidenced, followed by how the value has been calculated. There are three parts considered in the calculation of value:

1. What would have been the outcome if nothing happened? (deadweight)
2. What else could have contributed to the outcome? (attribution)
3. What is the reduction of the outcome over time? (drop off).

As suggested already, there are a number of outcomes discussed here that have been excluded from the final valuation. These are included to demonstrate the SROI principle of transparency and to present a fuller picture of the Compass story.

An overview of the outcomes and their impact for all stakeholders is outlined in Table 2. A discussion around the subsequent value is provided in the following section and the impact calculations are summarized in the impact map (see Appendix).

Table 2. Overview of the outcomes and impacts of the Compass Education and Training Units on trainees and carers

Outcome	Duration	Indicator	Proxy	Impact		
				Deadweight	***Attribution***	***Drop-off***
Trainee #1: Capacity and will to learn	1 yr	Change in capacity and will to learn	Differential between tertiary and secondary education earning capacity (based on minimum wage)	0%	25%	100%
Trainee #2: Autonomy	2 yr	Change in skills related to autonomy	Society value on education (based on subsidies)	25%	25%	50%
Trainee #3: Social inclusion	1 yrs	Change in level of community participation	Life satisfaction from increased social interaction	25%	50%	100%
Trainee #4: Healthy life	1 yr	Change in fitness	Average expenditure on accident and health insurance	0%	25%	100%
Trainee #5: Self-worth	5yr	Change in confidence	Gender wage differential	0%	0%	20%
Carer #1: Peace of mind and confidence in future	1 yr	Change in peace of mind and confidence in the future (self-report)	Cost differential between public and private schooling	0%	25%	100%
Carer #2: Capacity to do something else	I yr	Change in capacity to do something else (self-report)	Cost differential between pension/carer allowance and minimum wage	0%	0%	100%
Family #1: Family functioning	5 yr	Change in participation in family	Cost differential between couple living costs and independent cohabitation costs	50%	50%	20%
Compass #1: Organisational learning	n/a	Change in knowledge and organisational capacity	n/a	n/a	n/a	n/a
Compass #2 Improved staff practice	n/a	Change in knowledge and capability of staff members	n/a	n/a	n/a	n/a
Community #1: Social capital	n/a	Increase in strength of community due to increased participation of the trainee cohort in the community	n/a	n/a	n/a	n/a

NOTE ABOUT DATA COLLECTION

Throughout this report we have used a number of self-report and third party perceptions and observations for indicators. At first we were concerned about the subjectivity of these types of indicators; however, Powdthavee et al. (2008)[6] offer some comfort by highlighting studies which support the validity of self-reporting and third party perception.

Third party perception is particularly important in this assessment because of the potential to project outcomes upon the trainees due to interpretive misunderstanding. Hence, after each of the trainee focus groups we would seek confirmation of our understanding from carer focus groups and also the perceptions of Compass staff having substantive knowledge of each trainee both inside and outside of Compass.

Importantly, we would like to acknowledge that the trainees and carers gave us a strong sense of their perspective of Compass and the impact being part of the Compass experience has on them. The quotes that are scattered throughout the following section demonstrate this vibrant involvement of the trainees and their carers.

TRAINEE OUTCOMES

TRAINEE OUTCOME ONE: CAPACITY AND WILL TO LEARN

Discussion

From interviews, anecdotes and one-on-one conversations with all stakeholders it is clear the trainees develop a desire and an increased capacity to learn. The Compass method of teaching involves repetition, whether that is in the training room, out in the fields or in the Dojo (a martial arts hall for training). Repetition creates a habit not only in the form being practiced but also the discipline required to do so. Success in small things leads to greater confidence and "…confidence creates stickiness for learning new things…" (David Dangerfield).

Arguably this outcome and the next (increased autonomy through learning real-life skills) are very connected; however, they are not the same. This is because having an increased capacity and desire to learn doesn't necessarily limit to learning things that enable greater autonomy from others in the basic functions of life. For example choosing to learn to play a game, or learn how to type, or paint may be developmental but they don't necessarily lead to greater autonomy or an outcome for anyone else other than the individual; nor does the capacity to learn on its own lead to greater autonomy.

The decision to separate out learning skills from other skills is based on the reasoning that learning is a foundation skill; having this increases our ability to adapt and change throughout our lives. In more recent neuroscience research there is a focus on the relationship of learning and life-long mental health. The understanding that brains grow and change throughout life and the longer-term health of mental functioning is being related to how often we practice the skills we have already learnt, learning new skills and confronting new situations. It therefore stands to reason that having a capability and will to learn will have a fundamental impact on the ability to achieve and an individual's wellbeing.

[6] Powdthavee, N. (2008). Putting a price tag on friends, relatives and neighbours: Using surveys of life satisfaction to value social relationships. The Journal of Socio-Economics, 37, 1459–1480.

Indicator

The indicator for this outcome is change in capacity and will to learn as identified by trainer observation and is set at 100%.

Duration

In studying the duration of skill retention research shows there is only a slightly linear relationship between non-use and retention. Other aspects, such as whether a task is ongoing or has a specific start and end, the level of discretion a learner has, the level of conceptual complexity and the physical complexity, heavily influence retention. Interestingly decay is most prevalent for simple cognitive tasks but not for tasks that are cognitively complex or mainly physical in nature.[7] The greatest counter to decay is practice, which ties intricately with the training practices of Compass.

Considering duration asks us to form a view on how long the 'capacity and will to learn' will last beyond the intervention of Compass. Using our understanding of the research discussed above it seemed reasonable to put forward that learning is more of a simple conceptual task and as such we selected a 12-month duration for this outcome.

Proxy

For people with intellectual disability schooling ceases at secondary level unless they have a capacity to attend vocational college. Compass was instigated from watching young adults with intellectual disability leave school and seeing them, for the most part, denied the opportunity of furthering their education in a formal setting and maintaining and reinforcing the skills already acquired. Thus the focus of the Education and Training Units is on continued learning beyond the end of formal schooling. This opportunity for tertiary education has a significant impact on those who are able to undertake the study. It is for this reason that we selected a related proxy. The proxy for 'increased capacity and will to learn' is the differential in success experienced by those who are tertiary educated. We have used Australian data for the 25–65 age group[8] and applied this differential to the basic minimum wage.[9] The applied proxy equates to $4,666 per annum.

Impact

Without accessing Compass it is unlikely there would be similar outcomes for the trainees. As suggested most trainees would not have had the opportunity to experience this continued educational path. Many other disability services are based on 'day services' (generally with a skills and social focus) or 'business services' (work environments). Compass' approach specifically targets the capacity to learn. The carers we spoke to were adamant that the other services they viewed prior to joining Compass did not provide this support and in fact said they considered them equivalent to 'babysitting'. For this reason deadweight, or what would occur without a trainee attending Compass, is set at 0%.

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[7] Wang, X. (2010). *Factors influencing knowledge and skill decay in organizational training: A meta-analysis*. Dissertation. Department of Psychology: University of Oklahoma.

[8] OECD. (2012). *Relative Earnings of workers, by educational attainment and age group. Education at a Glance 2014 - OECD Indicators.* OECD, p.143.

[9] N*ational Minimum Wage Order 2014,* The Fair Work Commission.

Each trainee comes with some baseline skills in learning. Regardless of the individual baselines through the program the trainees are able to increase this capacity, as demonstrated by the indicator. The main sources of attribution, or other places where trainees gain increased capacity and will to learn, are likely to be the home environment and any other services the individual may attend. While these other environments will have an impact on the trainees' overall 'bag of skills' it is deemed unlikely they have the same focus on learning capacity. For this reason we have adopted a level of attribution for this outcome of 25%.

In talking with carers about how quickly this 'capacity and will to learn' would decline they offered competing experiences. On longer holidays carers have seen some trainees lose momentum. Arguably this is an experience we all share. Other stories presented an argument for this capacity to be a lifelong one. In examining the whole picture the assessors have adopted a conservative drop off figure of 100%.

TRAINEE OUTCOME TWO: AUTONOMY

Discussion

Trainees, carers and trainers consistently spoke about increased autonomy. We also observed marked increases in the capacity of several of the trainees we met to care for themselves within the timeframe of this project. In one case we observed that a trainee had learnt to go to the toilet by themselves and manage their own personal care between the first and second focus groups.

Carers spoke of how their trainees now cook or help prepare meals, or dress themselves in the morning. Some are now able to get about in the community to meet friends or catch a bus home:

> *… we can go away for the weekend or leave to go to somewhere knowing that (he) will dress well and if he goes out he'll look OK… (parent)*

> *…one day (she) got on the wrong bus like any of us could and she ended up miles away. But somehow she managed to work it out and get back home… (parent)*

The Indicator

The indicator for this outcome is an increase in skills related to autonomy, sourced from training records and set at 100%

Duration

Using the research discussed in the previous outcome about skill retention and applying it to the skills relating to autonomy requires us to consider what the trainees are learning. Without specific, related expertise the view adopted here is that the skills related to autonomy would have a higher physical component, which according to the research is associated with longer retention. We also sought to reflect the nature of these skills as being fundamental life skills and most likely used in daily life outside of Compass. For this reason a 2-year duration has been selected for the 'autonomy' outcome.

The Proxy

A trainee who can now for example go to the toilet by themselves isn't necessarily autonomous. They might be autonomous in this situation most of the time however they aren't necessarily every time. Similarly, a person might never reach a situation in which they can live alone and nor may they want to. In fact, as one staff member stated 'a carer may instead of making a sandwich for their son/daughter, now observe and support them to make a sandwich for themselves'. However, what is undeniable is the shift or change in autonomy that the trainee experiences as a result of participating in the Education and Training Units at Compass.

Initially we considered the cost of car ownership—something that provides the opportunity of independence and each car owner varies in their reliance and use of their vehicle. However, this represents purchasing autonomy rather than the value of autonomy. What informed the final proxy is an understanding of the value that the community places on building mastery in life skills. Australian society values the idea of building life skills through the free education offered by the federal government. The proxy is the amount taxpayers are willing to pay to support all young people to pursue the basic foundation life skills. Thus the valuation is a projection of the cost that society, as taxpayers, are prepared to subsidise the greater community to also acquire this propensity via schooling. Using cost of government funding to schools in Queensland[10] in 2011-12 this allows for $13,154 per year, per student, per annum.

Impact

Similar to the 'capacity to learn' outcome discussed above, stakeholders report that without Compass' input the trainees would not achieve these outcomes to the extent they do. For most carers there was a desire for their son/daughter to be accessing a service and carers would seek out a similar service if Compass did not exist. Without exception carers offered the view that other alternatives would not be acceptable. One carer even suggested they would need to stay home to provide this level of active support to their son/daughter. For this reason the deadweight, or what would happen without Compass, represents both the availability of other services and the lack of preference for these by the Compass stakeholders and is set at 25%.

There are other places where autonomy is gained. Many carers see themselves in partnership with Compass and support the application of the skills that bring about autonomy in the home and other environments. Some of the trainees access other services or organisations that provide sporting and recreational opportunities. Both the home environment and other services support rather than replace the intense learning and goal achievement-focus of Compass. Attribution, or other sources of autonomy for trainees, is therefore set at 25%.

Recalling the discussion of drop off in skills for 'autonomy' the difference here is that the skills are in daily use regardless of Compass' involvement in a trainee's life. For this reason we have applied a slightly less conservative figure of 50% for drop off for autonomy.

[10] Productivity Commission. (2014). *Report on Government Services.* Productivity Commission. Chapter 4, p 4.5.

TRAINEE OUTCOME THREE: SOCIAL INCLUSION

> *"…the Christmas market makes me feel happy – I like to talk to people and I practice talking to people….I am better now, it's easier now"*

Discussion

In the parent meetings there were multiple references to how Compass had developed their sons' or daughters' social skills and how having these skills has enabled the family to feel more included and relaxed in social situations. We observed in the Palmwoods' community several trainees walking down the street at lunchtime and engaging in general conversation with other community members. There is a very real sense of inclusion and belonging.

How these skills are taught is based on consistent role modelling and bestowing social expectations upon the trainees. For example, almost inevitably, upon entering one of the Compass facilities trainees would approach us with confidence to tell us about the day to come, or things they have made, or something of interest in their life. Prior to starting this conversation they would observe introductory protocols such as shaking hands, looking at the person, responding to questions of "how are you" and then reciprocating with the same or similar inquiry, and so on.

The emphasis on this practice again seems a distinctive attribute of Compass and David Dangerfield is confident that imparting these skills and expectations enables a person to build bigger social networks, not just from community inclusion but also through proactive acquisition. An outcome of this is that the person then develops a valued social status and, in keeping with Social Role Valorisation theory, accesses more of the benefits that society imparts to people with greater status.

Two examples of where trainees visibly gained status were shared with us during our visits to Compass services. The first was where Compass gained access to an almost derelict community facility in Caloundra, an old sporting club house desperately in need of maintenance in a very prominent and frequented area. Trainees rolled up their sleeves and worked hard—mostly brick by brick —and the community saw them taking control of the process and re-establishing the facility as a community asset. The second example given was when the trainees worked tirelessly on a particularly hot day helping the community to clean up a park in Palmwoods and how respect in the community was built by working hard, staying focused and getting the job done.

Three carers talked about the impact of increased inclusion on the lives of their daughters. These are the stories (paraphrased):

> *She is confident and very social and can spend up to two hours going around the town and visit people and shops by herself, everyone knows her.*
>
> *She was invited to a family event which she would not have been invited to before.*
>
> *When I go to the shops with her everyone calls out to say hello, she knows more people than I do.*

Indicator

The scope and capacity of this SROI analysis doesn't allow for a comprehensive community study into the level of visibility and inclusion of the trainees; however, based on the evidence at hand, we believe that the outcome of increased meaningful participation is real and a consequence of how Compass works. This is assumed to be reasonably local because the anecdotes have focused mostly upon the trainees being seen, literally, positively in all of the communities Compass operates within. The indicator used is 'change in community participation by trainees within the past 12 months' and is set at 80%.

Duration

Arriving at an understanding of the duration of this experience of increased social inclusion is not straightforward. The precursor is building the capacity for trainees to increase their social participation through the techniques described above of modelling and expectation. In applying these skills in the community the resulting outcome experienced here is increased personal networks. The skills apply in any setting and the networks will also inevitably be experienced beyond Compass. Using stakeholder feedback the duration for this social inclusion outcome is set at 2 years.

The Proxy

We have chosen a proxy related to life satisfaction for this outcome. Powdthavee (2008)[11] wrote at length about the linkage of increased social networks and participation in social community being tangibly and positively linked to life satisfaction. While Powdathavee's paper quotes £85,000 per year as the upper limit of the value of this satisfaction an amount of £15,500 is offered as being more representative of the larger part of the study participants. Given the average wage in the UK at the time of the study was £9,800 we used this to represent the value as an increase of 158% of the average wage. Rather than applying this percentage to the average Australian wage, for consistency we have used the National Minimum Wage annualised at $33,327, which results in a final figure for this proxy of $52,711.

Impact

Building the skills and applying these skills is a specific attribute of Compass' approach. In the arena of social participation this provides evidence that Compass is a significant contributor to the experience of this outcome. Some carers spoke of the experience of having their son/daughter sit on the couch in the absence of Compass. As previously discussed, the idea that Carers would seek out another service cannot be discounted. The offering of the focused support of Compass and the status of being a Compass trainee leads us to opt for a deadweight (or what would be experienced without Compass) of 25%.

In understanding where else trainees would experience social inclusion it is important to recognise the involvement of families. Families participate in varying degrees in their local communities and thus trainees would be a part of this interaction. A number of trainees also participate in sporting events such as the 'Special Olympics', social groups and other non Compass related services. In recognition of the involvement of families and other services the attribution is set at 50%.

[11] Powdthavee, N. (2008). Putting a price tag on friends, relatives and neighbours: Using surveys of life satisfaction to value social relationships. The Journal of Socio-Economics, 37, 1459–1480.

Drop Off

While social networks are often very robust, in the instance of where this is not only a network but also a skill-related outcome the drop off is set at 50%

Trainee Outcome Four: Healthy Life

Discussion

Being based within a martial arts paradigm Compass explicitly promotes good diet, exercise and healthy lifestyle and everyday practical examples of this practice are evident; at the Compass farm organic food is grown and processed; carers comment on how their sons and daughters come home and proudly present fresh produce harvested that day. Similarly, on each visit to the farm we were made aware of the importance of being able to 'climb the hill' up behind the farm. It was said that when trainees first arrive many are unable to achieve this; however, after gaining fitness they generally can.

Having experience within the disability sector our observation is that this omnipresent focus on health and exercise is something that sets Compass apart from other services. Hence, valuing this outcome appropriately is important.

The Indicator

The indicator used for this is 'change in fitness' as identified through trainer observations and records and is set at 60%. It is acknowledged that this is a subset of a healthy life; however, it is a very tangible element of health and one that is visibly evident at Compass.

Duration

The duration of this outcome is determined to be 12 months based on trainer perceptions.

The Proxy

We have found this particular valuation difficult for a few reasons. The first reason being that the change in health for trainees could not be quantified. Secondly, there is a broad range of proxies that could be considered, giving vastly different outcomes in terms of value. We explore three separate proxies here and then provide a rationale for the final selection.

Initially we settled on the cost of achieving this outcome: gym membership. Using the information from the Australian Bureau of Statistics the average household expenditure per week on health and fitness studio charges is $2.71.[12] However, this is not an ideal measure as it is merely replacing the cost of service delivery at Compass with the cost of buying the outcome.

Insurance is a way of expressing what people are willing to pay to avoid the outcome of poor health. As such, expenditure on health insurance was the next proxy we considered. Again applying information taken from the Australian Bureau of Statistics in 2012, households spent $26.24 per week on accident and health insurance.[13]

[12] Australian Bureau of Statistics. (2011). 4156.0 - Sports and Physical Recreation: A Statistical Overview, Australia, 2011. Australian Bureau of Statistics.

[13] Australian Bureau of Statistics. (2012). *The Year Book Australia 2012*. Australian Bureau of Statistics.

These initial proxies seemed to understate the value of this outcome, failing to capture how much people value their health. For example, if a person becomes sick it is assumed they would be prepared to pay much more to be healthy again than simply the cost of going to the gym or health insurance. Consequently, the proxy best able to express this thinking is the average expenditure on health services per person in Australia as a general reflection of how much an Australian citizen values health:

> *In 2011–12, Australia spent around $140.2 billion on health…Expenditure increased from $4,276 per person in 2001–02 to $6,230 in 2011–12.*[14]

This value of health is then projected upon the trainees and applied at $6,230 per year.

There is a significant difference in these expenditures on a weekly level from $2.71 (gym), $26.24 (health insurance) through to $119.80 (expenditure on health). To apply either the gym or the expenditure on health seemed to respectively under and overvalue this outcome. Therefore in looking at all three proxies we deemed the health insurance proxy as the best representation of the value of the focus on health at Compass and valued this at $1364.48 per annum.

Impact

There was significant anecdotal evidence from carers that this is an outcome that would not be achieved without attendance at Compass. As for alternative services, in our experience there are few services that we are aware of that have this emphasis on health and wellbeing. The deadweight is set at 0%, meaning that if the trainee didn't attend Compass there would be little change in their health and wellbeing.

Despite the rationale outlined above of few other sources being evident it cannot be argued categorically that trainees do nothing towards a healthy life outside Compass. For example one family spoke of an evening walk routine they were introducing to their lifestyle. For this reason attribution is set at 25%; that is, that 25% of the health outcomes come from sources outside Compass.

Drop off, or how quickly the health outcomes would fall away if Compass were not available to trainees, is seen as very high. This falls into the lived experience of most of us—that when stopping a health regime the downfall is quick. For this reason drop off is set at 100%.

Trainee Outcome Five: Sense of Self-Worth

Discussion

There is clear evidence of trainees taking great pride in their achievements. As mentioned previously there was a real desire amongst trainees to show or explain to us examples of their achievements both on meeting us and in the focus groups. Similarly, carers also spoke of their sons and daughters being proud: "…he loves coming home with fresh vegies to give to me" (Parent).

What the value of self-worth is to an individual is similar in concept to the previous discussion about a healthier life. In a summary of the academic literature regarding self-esteem (a related

[14] AIHW. (2014). http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=60129548150

concept) Baumeister et al. (2003)[15] identify that "…high self-esteem facilitates persistence after failure…" and that they (the researchers) were "…persuaded that high self-esteem does seem to lead to greater happiness." These notions seem to fit well with the general feedback about the trainees practicing repetition and learning the disciplines they need to learn more and the happiness they clearly gain from acquiring new skills.

This outcome is very difficult to measure and value; however, when faced with the following statements we deemed it important to include it in the final impact:

> *…I made a speech and I was happy—everyone was clapping…I cook lunch here at the canteen and at home I cook potato bake.*
>
> *…I can go to the toilet. I don't need any help.*
>
> *…I like writing and I am a very good writer.*
>
> *…I feel good—I can do anything—I feel younger—mum and dad are proud of me.*
>
> *…there's a lot of pictures of me [doing things]…I feel proud and sharing.*

Indicator

The indicator used is 'change in confidence' as identified by trainer observations and is set at 100%.

Duration

Kuster and Orth (2013),[16] in their longitudinal study of the stability of self-esteem, a construct related to self-worth, found that the stability of self-esteem is relatively "large, even across long periods". In fact considering an individual's self-esteem it is likely to be similar 5, 10 and even 30 years later. Considering this research a very long duration could be selected for these trainees for this outcome. However, we are concerned that the older trainees become the greater the influence on their self-worth will come from other areas of a trainee's life and it is reasonable, therefore, to apply a 5-year duration.

Proxy

Initially we turned to research and the academic view of self-worth. Baumeister et al. (2003)[17] in the paper "Does high self-esteem cause better performance, interpersonal success, happiness, or healthier lifestyles?" found the only clear link between high self-esteem and an outcome was that of happiness. However, we were concerned about the expansiveness of the concept of happiness and the measurement of this in relation to self worth. Much of the economic value linked to happiness focuses on the causality.

Next we considered the idea of social status as an external expression of self-worth. While what we saw in the trainees was an internal sense of identity, purpose and place in the world it seemed a smooth transition to view a potential proxy of that projected externally. In seeking to

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[15] Baumeister, R. Campbell, J. Krueger, J. & Vohs, K. (2003). Does high self-esteem cause better performance, interpersonal success, happiness, or healthier lifestyles? *Psychological Science in the Public Interest, suppl.* 4.1.

[16] Kuster, F. and Orth, U. (2013). The Long-Term Stability of Self-Esteem: Its Time-Dependent Decay and Nonzero Asymptote. *Personality and Social Psychology Bulletin*, *39*(5), 677–690.

[17] Baumeister, R. Campbell, J. Krueger, J. & Vohs, K. (2003). Does high self-esteem cause better performance, interpersonal success, happiness, or healthier lifestyles? *Psychological Science in the Public Interest, suppl.* 4.1.

express the experience of social status we investigated where this is expressed financially. While potentially contentious, one of the most visible and discussed differentials in status is the difference in genders as expressed by the difference in average wages between men and women.

This has been based on there being a real difference in wages between these two cohorts for no logical reason other than a perceived difference in status by those with the power to distribute resources (at a sum collective level) and is therefore an example of the value of status for a portion of the population:

> *In November 2013, the gender pay gap stood at 17.1%. The average weekly ordinary time earnings of women working full-time were $1,270.30 per week, compared to men who earned an average weekly wage of $1,532.80 per week, making women's average earnings $262.50 per week less than men[18].*

In thinking about a proxy for self-worth we have selected the proxy of the differential of wages between men's and women's average earnings and applied this as $262.50 per week, or $13,650 per annum.

Impact

In listening to the carers, the trainees and the trainers we have formed a view that the self-worth of these trainees would remain unchanged without Compass intervention. While there would be other services and relationships that may impact on self-worth it appears that the particular mix of the Compass philosophy in practice creates change in this area where it would perhaps otherwise remain stable. For this reason deadweight and attribution are set at 0%. Given the relatively stable nature of self-worth a drop off rate of 20% has been selected based on our personal judgement.

CARER OUTCOMES

CARER OUTCOME ONE: PEACE OF MIND AND CONFIDENCE IN TRAINEE'S FUTURE

Discussion

Many carers spoke about the long searches they had undertaken to find Compass. In their opinion the available alternatives they found did not create the opportunities that Compass offers. There were stories of visiting numerous services and the frustrations of finding a path through the bureaucracy of post-school options. Across the board carers spoke of a sense of peace, a confidence in the future and a knowing that they had made the right decision in accessing Compass for their son or daughter:

> *My son Bill has been at Compass for 5 years now. We are really hoping he develops the skills to work on the Compass Farm one day. My wife and I really feel comfortable knowing that Bill is learning at a place that has the same values as our family. It's really important to do constructive things in life and that's what Compass does—constructive things. Bill likes this and this makes us happy too. (Parent)*

[18] Workplace Gender Equality Agency. (2014). Gender pay gap factsheet [online]. Available at: https://www.wgea.gov.au/sites/default/files/2014-03-04-Gender_Pay_Gap_factsheet_website.pdf

I really want my daughter Jane to develop her life skills because this will enable her to participate more independently in life; this is good for her and it's good for our broader family because we can enjoy our relationship differently. Most choices available to us are more babysitting or entertainment options and whilst this is good for her socially, it's great having Compass that packages up activities and training together. It means we still get the benefits of being able to do other things while Jane is at Compass, but we also get the benefits of knowing Jane is happy and safe whilst learning lifelong skills. It's a virtuous circle. (Parent)

Indicator

The indicator is based on self-report of increased peace of mind by carers expressed in the focus groups. Whilst we are not absolutely comfortable using this type of indicator due to its subjective nature there was overwhelming affirmation from all carers that this was an outcome they experience. The magnitude of the indicator is therefore applied universally at 100%.

Duration

While the carers presented with a very strong sense of peace of mind, all carers were aware peace of mind can change in a very short period of time. For this reason we were uncomfortable using any duration beyond 12 months.

Proxy

If this peace of mind was enduring it would be priceless. However, the intention here is to place an economic value that is proportionate to the other proxies. Arguably a similar situation occurs where carers negotiate the cost difference between private and public schooling. One of the key decisions carers make in their child's life is about education. Where money is not the sole determinant this decision represents an expression of what carers believe is the 'right path' for their child in creating the future they desire for them. Where they choose public schooling they are saving the cost of the private education, where they select private schooling they are investing that cost. This is of course based on the premise that either choice provides carers with comfort about making the right choice for their child. We have selected a proxy of the differential cost of public and private schooling and apply this proxy as the 'cost saving' or 'investment cost' that represents the right decision for that family. The value of this decision is $17,955.00 per annum, and is the differential between what it costs to send a child to a government high school and the equivalent cost of sending a child to a private secondary school.[19]

Impact

Without exploring the dynamics of each family, what they value and how they gain peace of mind it is difficult to apply deadweight and attribution. Deadweight is a little more straightforward as carers were very vocal about Compass's role in their confidence in the future for their son/daughter. For them Compass is integral to this experience of peace of mind. Without Compass the carers say they would have to access a service that would not provide

[19] Australian Scholarship Group. (2014). *ASG Education Cost Estimates Metropolitan Australia Schooling Costs 2014*. Australian Scholarship Group. Available at: http://www.asg.com.au/assets/files/asg_edcosts_schoolcosts_2014_%20nat_metro.pdf accessed 1 December 2014

them with the same sense of peace, or they would need to reconstruct their lives in order to provide this developmental experience themselves. For this reason we have set a deadweight of 0% to represent this faith in Compass. Attribution is more problematic as permutations of potential sources of peace of mind are as varied as the number of families, carers and trainees. Attribution from other sources is still deemed to be in the minority in the face of the overwhelming support by trainees and carers of the role of Compass in achieving their goals and therefore we have set attribution at 25%.

The drop off for this outcome is not immediate; however, continuing involvement of Compass is important in maintaining this confidence in the future. Therefore the amount of peace of mind that will fall away is 100% within the 12-month duration of this outcome.

Carer Outcome Two: Capacity to do things other than Caring

Discussion

The capacity to do things other than caring speaks to the experiences of the carers' stories of what they are now able to do as a result of having Compass in their son's/daughter's life.

One couple articulated this in explaining the consequences of not having Compass. He would have to pull back from the business they run in order to be more available. Another carer spoke about the ability to nourish herself as a result of Compass being in place. Carers spoke at length on the different experiences in parenting to those in their social group. Other parents with children the same ages as the trainees are able to free up their time and engage in other activities; in a carer role this is not the natural transition of maturation. Having Compass made this experience more available.

How each carer uses this capacity is different. What is the same is the underlying experience of being able to step away from the caring role and engage in something outside of that role. This outcome is about valuing the ability to engage in something of the carer's own choice, whether that be employment, social or recreational, or educational.

Indicator

As with the above carer outcome of 'peace of mind' the indicator used is self-report of capacity to do something outside the carer role by carers in focus groups. The same concerns expressed above are reiterated here. The indicator is 100%. This is applied to each family rather than each carer to avoid double counting. This indicator also excludes those carers who have sons/daughters in supported accommodation.

Duration

The approach of the carers involved in engaging in other activities is medium- and long-term in nature, such as building their own business or being in employment. While this outlook points to a longer duration, take away Compass involvement and this changes immediately. Despite a desire to honour this sense of status quo, due to the latter statement the duration of this outcome is set at the lowest term allowable in the SROI methodology—12 months.

Proxy

The proxy selected here is 'seeking to express the value of the choice to step away from the carer role and do something different'. Thus it is the difference between the pension plus carers allowance and the minimum wage.

The pension of $842.80 per fortnight (inclusive of base, pension supplement and clean energy supplement) is selected, as it is a representation of what the community deems an appropriate income for individuals who are not engaged in employment. The carer's allowance of $118.20 per fortnight is added to this as it represents the additional role of carer.[20] This may be a largely fictitious scenario in practice; however, we deemed that just using the carer's pension alone to represent the role of carer would lead to an overstatement of the value of this outcome.

The representation of a choice to step away from the carer role is the minimum wage set at $640.90 in the National Minimum Wage Order 2014. We considered using the average wage of Australian workers but were concerned this would also lead to overstatement.

The proxy of the value of 'the capacity to do things other than caring' is therefore $160.40 per week.

Impact

The impact of this outcome is very similar to the carer outcome of peace of mind; both are experienced in the moment and as a consequence of the presence of Compass in the family's life. Therefore deadweight and attribution are set at 0% and drop off is set at 100% within the year.

FAMILY OUTCOMES

FAMILY OUTCOME ONE: FAMILY FUNCTIONING

Discussion

In seeking to understand this outcome we engaged in a conversation at the carer focus groups around changes in family life as a result of their son/daughter attending Compass. One of the couples shared that they were only able to attend this evening session (as a couple) because their daughter was able to stay at home and make dinner for herself. Similar stories were told with differing levels of independence but similar levels of change. Another carer illustrated her story by saying "…it is like I am sharing a house now". Other stories were about changes in relationships between siblings. Clearly, there are many relationships within a family and so how this outcome is evaluated is detailed in the discussion below about the chosen proxy.

Indicator

The indicator used is 'increased contribution of trainee to family life' as rated by trainer observation and is set at 80% of the cohort.

Duration

The duration of this change is judged to be long term because it is assumed that family members reinforce the change in the state of the family relations. Nevertheless to not over claim the value based on this assumption, a 5-year duration is selected.

[20] Centrelink. (n.d.). Payments for [online]. Available at: http://www.humanservices.gov.au/customer/dhs/centrelink. Accessed 27 November 2014

Proxy

…it is like I am sharing a house now. [parent]

It was this particular observation by a carer that lead us to consider the analogy of a household of adults living independently compared to a functional family situation in which carers and adult offspring live together within caring relationships. Different costs of living apply in each circumstance.

For this proxy an extrapolation of the cost difference was developed using cost of living for an independent retiree (excluding cost of housing) to that of a retired couple. Base on a modest standard of living the annual difference is $6531 per person.[21]

This is the value per person. To apply this saving would mean applying the per person value to each person in the family. If this logic was applied pro rata, according to the size of the trainee's family this figure could become extremely large and for this reason we feel the proxy would lose credibility. To avoid this, the notion of what constitutes a family is taken and applied as its smallest form being two people, which attracts a proxy value of $13,062 per annum. This full amount is applied to each family in which better family functioning is perceived.

Importantly, if a trainee lives outside of their parent(s)/family home, the same outcome is considered and valued, using the same proxy, because we judge the set of family relationships not to be bounded by physical proximity.

Impact

A maturation process occurs for trainees and thus some of these changes could occur without any intervention. However, the speed of this maturation is very much increased by the intensive education and training focus at Compass. Therefore the deadweight is set using practitioner judgment at 50%.

Given carers are actively involved in trainees' goal setting in the education and training activities of Compass they are potentially targeted around the specific dynamics of each family. However, the source of attribution would shift to the family members fairly quickly as they would reinforce and become the key source to reinforce this change. Therefore attribution is set at a rate of 50%.

It is unlikely there would be much drop off as the changes once mastered would be reinforced by the family unit; however, rather than set it 0% we have used a more conservative drop off of 20%.

[21] ASFA. (n.d.) ASFA Retirement Standard [online]. Available at: www.superannuation.asn.au/resources/retirement-standard, accessed 3 December 2014.

COMMUNITY OUTCOME

COMMUNITY OUTCOME ONE: SOCIAL CAPITAL (EXCLUDED)

In this analysis social capital is interpreted as being goodwill amongst community members and is discussed here in the context of the communities in which Compass operate. Robert Putnam (1995)[22] elevated the notion of social capital after the release of his essay 'Bowling Alone: America's Declining Social Capital'.

Putnam presented the case that communities were losing a significant component of their infrastructure as people disengaged from the participatory norms of a society such as belonging to and attending church, or being involved in expressions of civic engagement. In which case there is an erosion of goodwill amongst people and the propensity for activities that further destroy community value increases, such as crime and a lack of community pride.

In the case of Compass what is being suggested is that in the communities in which Compass participates there is additional goodwill. The Palmwoods community, for example, is better off because of Compass' presence and so the training and education programs, as an integral part of Compass, are therefore generating part of this value.

In previous discussions about social inclusion and social role valorisation we acknowledged that the trainees gain value from their closest communities because of their increased social status and a proxy valuation is already inclusive within the SROI ratio of this value. Arguably though this is a subset of the total social capital stimulated by Compass' activities. For example people experiencing a sense of community at the Compass Wabi Sabi shop in Palmwoods may be inclined to express goodwill or generosity to other members of the community.

Direct practical examples can be seen in the experiences of the two business people interviewed during the stakeholder consultation:

> *David also invited the sales team to the Dojo and the Compass trainees and students put on an exhibition for us. It was so motivating to watch and be a part of. It got us out of the normal day to day and into another world which was incredibly inspiring. I think we all take this back into our work. (Julie Ryan, Hot FM Prime Radio Sunshine Coast)*

> *I go to the awards night and this is a great night. It really makes me feel great seeing [the trainees] up there getting the awards they have earned. They all get one and the pride and anticipation is…well it's unbelievable. It puts my life into perspective. I am a lucky man. (Russell Kay, Coast Life Homes)*

Nevertheless, while we had a desire to pursue the valuation of this outcome there are two elements which prevent inclusion in the SROI ratio. Firstly the resources required to conduct a full impact assessment of the communities Compass operates within are prohibitive and secondly understanding the direct impact that the Education and Training Units have as compared to the impact of Compass as a whole is problematic.

Nevertheless, we acknowledge that social capital does exist and its value is at least partially acknowledged within the valuation of 'increased social inclusion'.

[22] Putnam, R. (1995). Bowling alone: Americas declining social capital. *Journal of Democracy, Jan,* 65–78.

ORGANISATIONAL OUTCOMES

There are two outcomes considered here:

- Improved staff professional practice
- Improved organisational practice

Both are related to the *Kaizen* approach where learning is incorporated into the daily practices of Compass.

Generally the SROI methodology does not include organisational outcomes. Any benefit generated must be attributable to a stakeholder group who experiences the benefit. This benefit once quantified is then assessed against other alternatives (attribution, deadweight) as part of determining what impact Compass has over and above any other source of value. This is where the argument becomes problematic and the ultimate reason why both these outcomes are not included.

ORGANISATIONAL OUTCOME ONE: IMPROVED STAFF PROFESSIONAL PRACTICE (EXCLUDED)

Discussion

In interviews and the many discussions we had with the Compass staff it was clear they all felt that the organisation was developing them as professionals within the disability sector. David Dangerfield's explanation of how Compass extends staff recruitment to people from outside the disability sector and then teaches them the skills needed to work at Compass and within the disability sector reinforced this theme. Staff also articulated staff development within the context of *Kaizen* as a practice of Compass. On face value it seems reasonable to include improved staff professional practice in the SROI calculation.

In this outcome the value stays with the individual staff member, the change experienced is that they have greater professional capacity as a result of working with Compass in the way Compass works. To begin isolating the value created is problematic and must be greater than the input provided. The value would need to be greater than salary and conditions and these conditions would need to exclude any professional development. If this could be quantified the impact considerations come into the evaluation. Considering deadweight, or what would occur without Compass, it is likely a staff member would be employed elsewhere and the hypothetical alternatives of the nature of this employment are endless and unknown.

Consequently, we have excluded this outcome from the calculation of the SROI index, but in doing so reinforce that not including this commentary would be overlooking a significant aspect of the Compass story. This is particularly important for the future positioning of Compass in new communities; Compass can project themselves, with complete integrity, as being a developer of staff and consequently industry capacity.

ORGANISATIONAL OUTCOME TWO: IMPROVED ORGANISATIONAL PRACTICE (EXCLUDED)

Discussion

This outcome is a result of Compass applying the philosophy of *Kaizen* in practice. Two examples of improved practice for stakeholders, as a result of *Kaizen*, have already been discussed: trainees as agents in the co-creation of the training and education practice (page 14), and staff having their professional skills developed. However, in this case improved practice is referencing policies, procedures and, generally, non-human resource organisational infrastructure. For example, knowledge is created by the process of training and education and *Kaizen* then promotes the capture and application of this knowledge to create further learning.

There is research that supports the value of a learning culture having a financial impact on organisations. Ellinger, Ellinger, Yang and Howton (2002)[23] researched the impact of being a learning organisation on company financial performance and found there is a positive relationship to financial performance where an organisation has adopted learning organisation practices.

However, the rationale for exclusion is relatively straightforward because as a not-for-profit Compass is expected to reinvest the value it retains back into the purpose of the organisation and hence better organisational practice ultimately manifests as an outcome for Compass stakeholders. In line with this we believe the value this creates accounts for the quantum of the trainee, carer and family outcomes contained within the final assessment.

[23] Ellinger, D., Ellinger, A., Yang, B., and Howton, S. (2002). The relationship between the learning organization concept and firms' financial performance: An empirical assessment. *Human Resource Development Quarterly*, *13*(1), 5-22.

SROI Calculation

The final SROI calculation and resulting ratio for Compass is 1:10.31; in other words, for every $1 invested in the Education and Training Units of Compass $10.31 of value is derived.

In seeking to understand the make-up of this value we see that the largest contribution comes from the trainees' experience of self-worth. This makes up approximately 40% of the total impact calculation. This outcome is one of the ultimate experiences of the cyclical nature of value creation arising from the way Compass operates.

The next largest trainee outcome contributing to the value is the increase in the trainees' autonomy, which is central to the activities of the Education and Training Units.

Together the two carer outcomes of 'carer peace of mind and confidence in trainee's future' and 'carer capacity to do something else' make up approximately 20% of the value. While these outcomes could be predicted they sit slightly outside the focus of the education and training activities.

The smallest contribution to the value is the experience of healthy life, which is also related to the transient nature of this outcome. This requires sustained effort to reap rewards and falls away very quickly. This was one of the outcomes where we were concerned about the choice of proxy as outlined in the discussion of this outcome. Table 3 provides a view of all three potential proxies and their impact on the ratio.

Table 3. Three proposed proxies for the healthy life outcome

Potential proxy	Value per week	Ratio
Household expenditure per week on health and fitness studio (i.e. expenditure on gym)	$2.71	1: 10.25
Household expenditure on accident and health insurance	$26.74	1: 10.31
Average expenditure on health services per person	$119.80	1:10.51

We are confident that the selection of the proxy relating to accident and health insurance is representative of the value experienced by the trainees.

Ongoing Impact

One significant area which is worthy of an in-depth discussion is that of the duration of the outcomes. Half of the outcomes have been calculated in line with the effect of that outcome dissipating within 12 months. The other four—autonomy, social inclusion, self-worth and family functioning—have durations varying between 2 and 5 years. There was some difference of opinion with this duration data. The durations outlined in the impact map in the Appendix of this report have a significant effect on the final ratio of 1:10.31 are based on carer feedback and some research data. The staff perspectives vary from this information. Staff perspectives are that the impact of intellectual disability on the retention of the change experienced is likely to fall away more quickly than for a broader population. Therefore staff advocate that all outcomes

would be experienced fully but only within a 12-month timeframe. This is based on their experience that for people with intellectual disability sustaining change would require ongoing intervention. While there was some support for the four outcomes listed above having the potential for extended timeframes we have recalculated the impact ratio to represent this view of lowered sustainability and include it here as an alternative ratio worthy of serious consideration. Using 100% drop off figures for all eight outcomes leads to a final impact ratio of 1:6.01; that is, for every $1 invested in Compass there is $6.01 worth of value created.

CONCLUSION

SERVICE INTENTIONS AND OUTCOMES

The principles and practice of Aikido, the theory of Social Role Valorisation and the discipline of *Kaizen* underpin the approach Compass undertakes to service delivery. Within the Education and Training Units this is put into practice through a disciplined approach to learning and applying the skills, expectations and active participation of trainees within the social arenas of Compass, the family unit and the community in which the trainees live. This creates a cycle, building a series of linked outcomes experienced by trainees, their carers and the family unit. The outcomes included in this assessment of impact are:

- Capacity and will to learn
- Autonomy
- Social inclusion
- Healthy life
- Self-worth
- Peace of mind and confidence in trainees' future
- Capacity to do other things
- Family functioning

The theory of change for Compass begins with focused learning applied across diverse settings. Added to this are clear behavioural expectations in social settings and the opportunity to interact in the community in a way that results in the experience of a valued status finally resulting in an experience of self-worth. It is fitting that this final aspect of the theory of change for Compass is the most impactful in terms of value. The unintended outcomes relating to carers and broader family do not form the core of the theory of change. It is not intended here to suggest that Compass reform their theory of change. The power of the outcomes is derived from the focus on trainees' learning; however, this assessment reinforces the compounding value experienced by those most closest to the trainees.

CONTEXT FOR THE RATIO

One of the challenges for the assessment was teasing out and isolating the various material impacts. While we are confident that the outcomes included in the calculation represent the value created, we are also conscious of important exclusions. Scope made it appropriate to not include social capital, and logic excluded professional and organisational learning. However, it is important for Compass to keep awareness of social capital as a significant part of their total value proposition. Similarly, a static ratio doesn't articulate the amplifying effect of *Kaizen* upon professional and organisational development; a fundamental ingredient of exploring the art of life.

The most significant issue relating to the data used in the valuation is the difference in perspective between stakeholders and staff members around the length of time these changes are sustained. There is $4.22 difference between viewing the stakeholder/research-based approach to duration and the staff members' experience-based approach.

Compass may consider putting in place outcome measures to understand the quantum of change and the duration of that change in greater detail.

RESULTING RATIO

The resulting ratio for Compass' Education and Training Units is 1:10.31. This ratio must be read in the context laid out in this report and in particular the challenges set out in the previous paragraphs. It is a clear indication that the considered philosophy and its deliberate implementation are achieving very real outcomes for trainees and their family members.

APPENDIX – IMPACT MAP

Organisation	COMPASS INC.			Name	Celia Swales and Mick McDade
Vision	EXPLORING THE ART OF LIFE			Date	Dec-14
Scope – Activity	The Training and Education activities	Objective of Activity	Provide education in real life skills facilitating greater independence for the client and family & increase the clients capacity to participate in a wide range of recreational and social environments	Time Period	2012 - 2103 Financial Year
Scope – Contract/ Funding/Part of Organisation	The Training and Education Programs	Purpose of Analysis	To test the usefulness of the SROI tool & Provide Compass with a broader understanding of their total value proposition	Forecast or Evaluation	Evaluation / SROI PV RATIO / 1 : 10.31

Stage 1			Stage 2					Stage 3				
Stakeholders	Intended/ Unintended changes		Inputs		Outputs		The Outcomes	The Outcomes What Changes				
			Description	$ value	Value	Notes	Description	Indicator	Source	Quantity		Duration
Who do we have an effect on? Who has an effect on us?	Outcome Title	What do we think will change for them?	What do they invest?	$ 470,184	Summary of activity in Numbers	Output Description	How would you describe the change?	How would you measure it?	Where did you get the information from?	Percentage of change	How much change was there?	How long does it last? Years
Trainees	Capacity and Will to Learn	Capacity and will to learn	Participation	N/A	47	Number of Trainees	An increase in the Trainee's own commitment and will to learn	Capacity and will to learn	Trainer	100%	47	1
	Autonomy	Autonomy			47	Number of Trainees	An increase in the Trainees level of autonomy in their life	New skills	Training records	100%	47	2
	Social Inclusion	Inclusion in community			47	Number of Trainees	An increase in the level and quality of the Trainee's participation in community	Increased community participation	Trainer observation	80%	37.6	2
	Healthy Life	Increased health and wellbeing			47	Number of Trainees	An increase in the Trainee's health and wellbeing	Increase in fitness	Trainer observation	60%	28.2	1
	Self Worth	Greater levels of confidence and self worth			47	Number of Trainees	An increase in confidence, self worth	Confidence	Trainer observation	100%	47	5
Carer	Carer Confidence and Peace of Mind	Confidence and peace of mind	Consent	N/A	47	Number of Trainees	Carers have an increased level of peace of mind, confidence in their Trainee's future	Increased peace of mind	Self reporting during interview and focus group	100%	47	1
	Capacity to do something else	Capacity to do other things			42	Number of Trainees	Carers increased ability to do something outside of carer role	Capaccity to do something else	Interviews and Focus groups	100%	42	1
Family	Contribution to Family Life	Family functioning	Nil	N/A	47	Number of Trainees	The whole family expereinces increased interdependence in family life (reduced dependence)	Increased contribution to family life	Trainer observation	80%	37.6	5
Compass	N/A	N/A	Income from organisational activities	$11,228.00	0	0	0	0	0		0	0
Funders	N/A	N/A	Funding	$458,956.00	0	0	0	0	0		0	0

	Stage 3			Stage 4					Stage 5						
Stakeholders / Outcome Title	The Outcomes What Changes			Deadweight	Attribution	Drop off	Impact	Action Plan	Present Value Discount Rate				6.00%	Sum Present Value
	Financial Proxy	Value	Source	%	%	%			Years and Present Value (PV)					$ 4,845,513
	What proxy would you use to value the change?	What is the value of the change?	Where did you get the information from?	What would have happened without the activity	Who else contributed to the change	Does the outcome drop off in future years	(Quantity x Financial Proxy) - deadweight, displacement & attribution		1	2	3	4	5	Sum of discounted yearly values
Trainees – Capacity and Will to Learn	Value of tertiary level education on minimum wage	$4,666	Minimum Wage Order 2014 Fair Work Commission and OECD Education at a Glance 2014	0%	25%	100%	$ 164,475		$ 155,165.18	$ -	$ -	$ -	$ -	$ 155,165.18
Trainees – Autonomy	Society subsidy for schooling	$13,143	Government Services Productivity Comission Chapter 4, 2014	25%	25%	50%	$ 347,468		$ 327,800.06	$ 154,622.67	$ -	$ -	$ -	$ 482,422.73
Trainees – Social Inclusion	Value of life satisfaction	$52,711	Powdthavee 2006 article	25%	50%	50%	$ 743,222		$ 702,152.50	$ 330,732.31	$ -	$ -	$ -	$ 1,031,884.81
Trainees – Healthy Life	Household expenditure on Accident and Health Insurance	$1,364.48	ABS Australian Year Book 2014	0%	25%	100%	$ 28,859		$ 27,225.24	$ -	$ -	$ -	$ -	$ 27,225.24
Trainees – Self Worth	Differential in Gender Wages	$13,650	Workplace Gender Equality Agency 2014	0%	0%	20%	$ 641,550		$ 605,235.85	$ 456,781.77	$ 344,740.96	$ 260,181.86	$ 196,363.67	$ 1,863,304.11
Carer – Carer Confidence and Peace of Mind	Cost differential govt and private secondary education Metro Aust by week	$17,995	Australian Scholarship Group	0%	25%	100%	$ 634,324		$ 598,418.63	$ -	$ -	$ -	$ -	$ 598,418.63
Carer – Capacity to do something else	Difference between pension+Carers allowance and minimum wage	$8,341	Centrelink and Fair Work Commission	0%	0%	100%	$ 350,314		$ 330,484.53	$ -	$ -	$ -	$ -	$ 330,484.53
Family – Contribution to Family Life	Differential between couple living costs and 2 independent living costs	$13,062	Victorian Government	50%	50%	20%	$ 122,783		$ 115,832.83	$ 87,421.00	$ 65,978.12	$ 49,794.80	$ 37,580.98	$ 356,607.74
Compass – N/A		$0		0%	0%	0%	$ -		$ -	$ -	$ -	$ -	$ -	$ -
Funders – N/A		$0		0%	0%	0%	$ -		$ -	$ -	$ -	$ -	$ -	$ -