



TOOLKIT SERIES

Theory of Change Template

Identifying the inputs, outcomes and impacts of social value commitments

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1. Introduction

A **Theory of Change (ToC) model** is a strategic planning framework that helps organisations map out the steps required to achieve a desired long-term impact. It provides a clear and evidence-based pathway from inputs and activities to measurable outcomes, ensuring that initiatives are designed with a logical structure that links actions to results.

The model is widely used in social impact, community development, and corporate social responsibility programs to guide decision-making, improve accountability, and enhance stakeholder engagement.

When applied to **social value initiatives**, a Theory of Change helps organisations build trust, align their activities with community needs, and create meaningful, sustainable benefits. This can help contribute to securing social licence, the acceptance and approval of a project by local communities and stakeholders, is a dynamic and evolving concept that requires careful planning and engagement.

A Theory of Change model ensures that initiatives aimed at securing social value benefit realisation are not just reactive or compliance-driven but are **strategic, intentional, and impact-oriented**.

1.1 Theory of Change and Social Value

A Theory of Change model can help organisations planning social value initiatives by:



Providing a Structured Roadmap

By clearly defining the steps needed to support social value benefit realisation, organisations can move beyond ad hoc or short-term community engagement efforts towards a coherent, long-term strategy.



Aligning Stakeholder Expectations

The model helps identify shared priorities between project stakeholders, communities, and government bodies, ensuring that initiatives reflect genuine needs and aspirations.



Enhancing Transparency and Trust

Social value benefit realisation relies on open communication and demonstrated benefits. A Theory of Change can help organisations articulate their intentions, progress, and expected outcomes, building credibility with communities.



Ensuring Measurable Impact

By establishing clear indicators for success, organisations can track and evaluate whether their initiatives are leading to meaningful change. This is crucial for reporting back to stakeholders and making informed adjustments.





Mitigating Risks and Challenges

The model helps organisations identify potential barriers to social acceptance, such as lack of trust, historical grievances, or environmental concerns, allowing for proactive risk management.

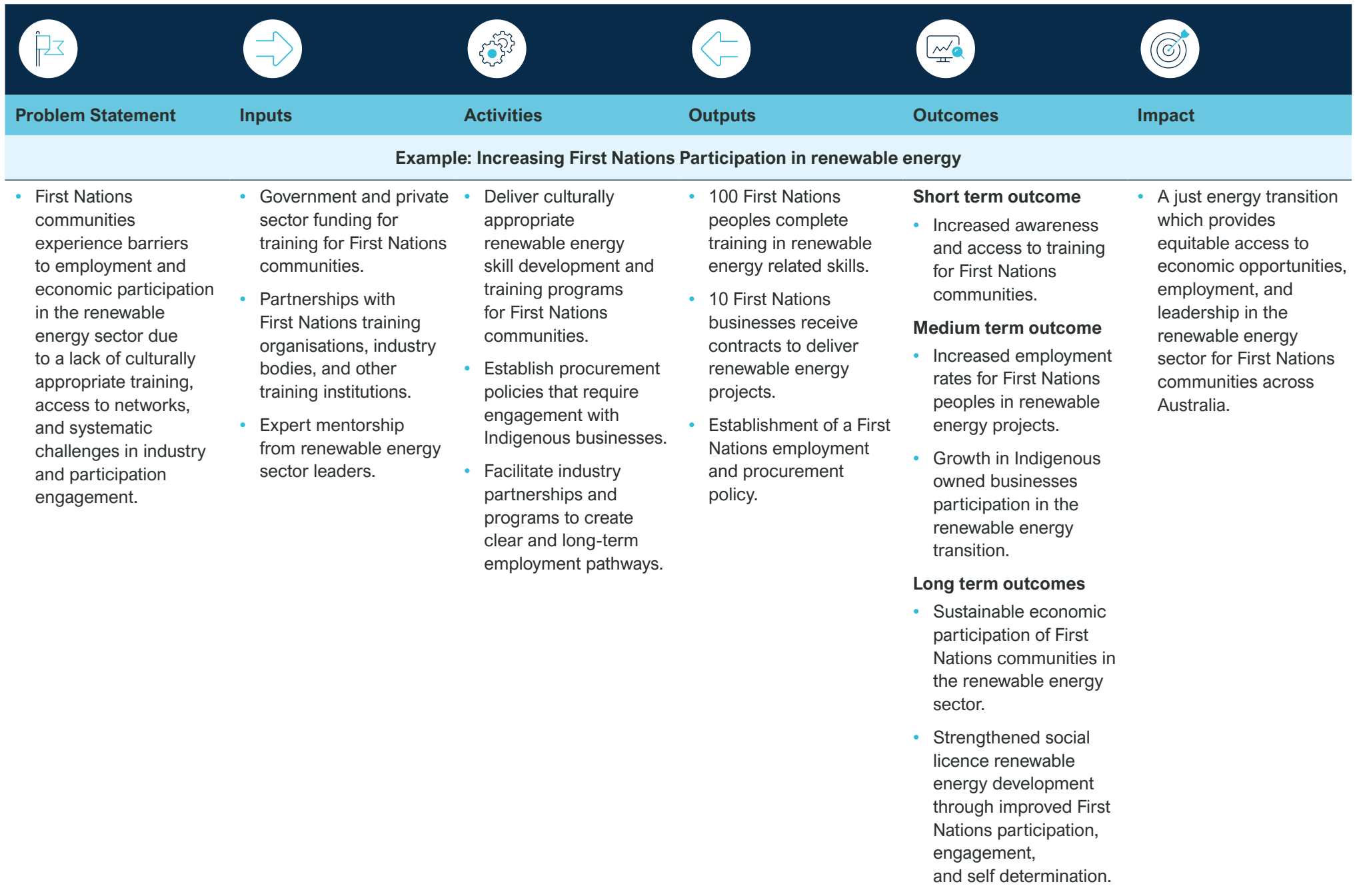


2. Theory of Change Template

Key elements of Theory of Change Model

 Problem Statement	 Inputs	 Activities	 Outputs	 Outcomes	 Impact
<p>The problem statement should clearly define the core issue, challenges or gap that the initiative seeks to address.</p> <p>The problem statement should be developed based on a combination of stakeholder engagement, research, or an analysis of existing policy or initiative gaps.</p>	<p>Inputs are the resources, funding mechanisms and partnerships that are required to implement the proposed initiative successfully.</p> <p>In essence, inputs are the essential components that will enable activities to take place to deliver the initiative.</p>	<p>Activities are the specific actions, programs or steps that will be undertaken to support change and secure the overarching outcome of the initiative.</p> <p>Examples of activities can include things such as capacity building programs, policy analysis and development, community initiatives or other activities informed through stakeholder engagement.</p>	<p>Outputs are the immediate, and measurable results of the activities delivered.</p> <p>Typically, outputs are quantitative and reflect what has been delivered or produced.</p>	<p>Outcomes are the changes or benefits which have occurred because of the activities and outputs.</p> <p>Outcomes can be short, medium, or long term.</p> <p>Short term outcomes typically involve knowledge or awareness changes, while medium term outcomes involve larger systematic or behavioural changes. Long term outcomes represent broader societal impact.</p>	<p>Impact is the high level and overarching goal that the initiative seeks to achieve.</p> <p>Impact statements are typically broad and often aligned with wider strategic, policy, or societal benefits or need that has been identified.</p>

Example complete Theory of Change model



3. Further Considerations



Evidence Assessment

What research, stakeholder engagement, or policy analysis has been completed as basis for justify the need for the initiative?

Example

- Research studies indicating a gap or need for the proposed intervention.
- Stakeholder consultations revealing key challenges or opportunities.
- Policy documents, government reports, or industry data supporting the initiative.
- Case studies from similar projects demonstrating successful outcomes.
- Economic or social impact assessments highlighting the potential benefits.



Assumptions

Are there any assumptions that have been made about the initiative and its ability to deliver impact?

Example

- There is a continued demand for the intervention and its intended outcomes.
- Key stakeholders (e.g., government, industry, community) remain supportive and engaged.
- Sufficient resources (e.g., funding, infrastructure, expertise) are available for implementation.
- The broader policy and regulatory environment remain stable.
- Target beneficiaries are willing and able to participate in the initiative.



Unintended Consequences

Are there any potential unintended consequences or outcomes that could occur because of the initiative?

Example

Positive

- The initiative leads to additional benefits beyond the original scope (e.g., new partnerships, increased investment).
- Unforeseen improvements in community resilience, economic development, or policy change.
- Strengthened relationships and trust between key stakeholders.

Negative

- The intervention inadvertently creates inequities, favouring some groups over others.
- Increased demand for resources (e.g., skilled labour, infrastructure) leads to unintended shortages elsewhere.
- Short-term funding or policy changes reduce the sustainability of the initiative.
- Misalignment with local needs results in resistance or lack of engagement.
- External factors (e.g., economic downturns, political shifts) impact the success of the initiative.

