INTRODUCTORY

ASL

TOOLKIT SERIES

Theory of Change Template

Identifying the inputs, outcomes and impacts of social value commitments

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Artwork credit: The 'Journey of unity: AEMO's Reconciliation Path' was created by Wiradjuri artist Lani Balzan.

The ASL Social Value Toolkit tools and guidance are structured across three levels to support the gradual development of social value capability and maturity.

INTRODUCTORY

Builds foundational understanding and capability in social value practice.

INTERMEDIATE

Builds on foundational capability to support more developed social value practice.

ADVANCED

Supports established capability and more mature social value practice.

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

Example complete Theory of Change model

Problem Statement	Inputs	Activities	Outputs	Outcomes	Impact
Example: Increasing First Nations Participation in renewable energy					
• First Nations communities experience barriers to employment and economic participation in the renewable energy sector due to a lack of culturally appropriate training, access to networks, and systematic challenges in industry and participation engagement.	• Government and private sector funding for training for First Nations communities. • Partnerships with First Nations training organisations, industry bodies, and other training institutions. • Expert mentorship from renewable energy sector leaders.	• Deliver culturally appropriate renewable energy skill development and training programs for First Nations communities. • Establish procurement policies that require engagement with Indigenous businesses. • Facilitate industry partnerships and programs to create clear and long-term employment pathways.	• 100 First Nations peoples complete training in renewable energy related skills. • 10 First Nations businesses receive contracts to deliver renewable energy projects. • Establishment of a First Nations employment and procurement policy.	**Short term outcome** • Increased awareness and access to training for First Nations communities. **Medium term outcome** • Increased employment rates for First Nations peoples in renewable energy projects. • Growth in Indigenous owned businesses participation in the renewable energy transition. **Long term outcomes** • Sustainable economic participation of First Nations communities in the renewable energy sector. • Strengthened social licence renewable energy development through improved First Nations participation, engagement, and self determination.	• A just energy transition which provides equitable access to economic opportunities, employment, and leadership in the renewable energy sector for First Nations communities across Australia.

3. Further Considerations

Evidence Assessment	Assumptions	Unintended Consequences
What research, stakeholder engagement, or policy analysis has been completed as basis for justify the need for the initiative?	**Are there any assumptions that have been made about the initiative and its ability to deliver impact?**	**Are there any potential unintended consequences or outcomes that could occur because of 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.	**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.	**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.

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