consulting

the mirabel foundation

'every child deserves a childhood'

The Mirabel Foundation Inc.

Baseline Social Return on Investment analysis of Mirabel's Victorian activities

FULL REPORT

October, 2015

Social Ventures Australia
Funding • Investment • Advice

About Social Ventures Australia

Social Ventures Australia (SVA) works with innovative partners to invest in social change. We help to create better education and employment outcomes for disadvantaged Australians by bringing the best of business to the for purpose sector, and by working with partners to strategically invest capital and expertise. SVA Consulting shares evidence and knowledge to build for purpose sector capacity. SVA Impact Investing introduces new capital and innovative financial models to help solve entrenched problems. SVA Consulting partners with non-profits, philanthropists, corporations and governments to strengthen their capabilities and capacity to address pressing social problems.

SVA Consulting is a specialist consulting practice that partners with social purpose organisations to strengthen their ability to address social issues and achieve results. We support leaders to make hard decisions, galvanise teams to sustain success and share insights with the social sector. We work on society's most challenging issues including health, disability, housing, employment, education and Indigenous disadvantage.

We measure our success by the results our clients achieve. Our people are passionate about the work they do and the opportunity to create a better Australia.

Acknowledgement

This analysis has been funded by the Sidney Myer Fund. We also wish to acknowledge the significant contribution made by the team from Mirabel to the project.

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Project Summary

In 2015, the Mirabel Foundation (Mirabel) commissioned Social Ventures Australia (SVA) Consulting, a leading Social Return on Investment (SROI) practitioner in Australia, to evaluate the social and economic benefits of its Victorian operations.

The following is an overview of Mirabel's activities in Victoria, its impact and the main insights from the analysis.

Key findings

- Mirabel brings normality into the lives of children who have been orphaned or abandoned due to parental drug use, to give them the best possible start in life. Between FY08-FY15, its work has had a tangible direct impact on the lives of children and their kinship carers who had to confront the challenges of abandonment, financial insecurity and social isolation.
- Between FY08 and FY15, Mirabel worked with on average 635 children and 391 families per annum in Victoria. It costs the organisation ~$2,700 per child or ~$4,300 per kinship family to deliver its services annually.
- An investment of $14.8 mil over the eight year period (FY08 to FY15) created $98.5 mil of present value to children, kinship carers, volunteers and the Government.
- When the $98.5 mil in social value is compared to the $14.8 mil investment in the program, the Social Return on Investment (SROI) ratio equates to 6.6:1. This means that for every $1 invested in Mirabel's Victorian activities between July 2007 and June 2015, approximately $6.60 of social and economic value was created.
- Most of the value is created for the children (50% or $55 mil) who are given a chance to have a real childhood, and as a result, their lives are transformed. The average value created for each child is estimated at ~$11,000 per annum.
- The broader impact of Mirabel's activities is also significant and profound, as it helps to keep kinship families together and contributes towards breaking the destructive cycle of addiction. The immediate and future benefits of this are estimated to be worth ~$43 million to the Government which is ten times more than the investment made by the Government into Mirabel.

About the Mirabel Foundation

Mirabel assists children who have been orphaned or abandoned due to parental illicit drug use and are now in the care of extended family (kinship care). Mirabel is currently supporting approximately 1,500 disadvantaged children throughout Victoria and NSW. More than 80% of these children are living with grandparents in both formal and informal legal arrangements. Mirabel's activities are all inspired by a vision that every child deserves a childhood and its mission to break the negative cycle of addiction and disadvantage.

Children orphaned or abandoned due to parental illicit drug use are one of the most vulnerable groups in our society. Exposure to parental drug use, physical abuse, neglect and other emotional traumas mean that these children are likely to have problems with brain development and difficulties associated with learning, emotional control, behaviour and social adjustment.

Kinship carers, often grandparents, are left to experience the consequences of parental drug use and trying to break the cycle of future drug use. They often find themselves struggling to support the needs of these children as they face financial and health problems, as well as emotional challenges and social isolation.

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With an increasing number of children being raised in families affected by drug use, and kinship care being one of the fastest growing out-of-home care placement types, the number of children supported by Mirabel has doubled in less than 10 years.

Impact of Mirabel

During the investment period (FY08-FY15), Mirabel supported on average 635 children and 391 families per annum in Victoria. Mirabel's support had a tangible impact on the lives of children and their kinship carers who had to confront the challenges of abandonment, financial insecurity and social isolation.

> *"…The camps were fantastic and provided an opportunity for the kids to do things that we, as older people, wouldn't be able to do with them. They were also really important because I think the kids felt isolated and stigmatised, being stuck living with us oldies, but then when they were at the camps they were with other kids in the same position so that feeling went away…"*
>
> Kinship carer (exited after 17 years with Mirabel)

> *"…If Mirabel did not exist, I would not have an opportunity to talk to anyone who understands …"*
>
> Child (16 year old)

Mirabel has been a valuable resource and support to every family that reached out to them for help because they tailor their services depending on the needs of each individual kinship family. It is estimated that 45% of all children Mirabel have worked with in Victoria over the past eight years have experienced significant life changing outcomes.

> *"…My granddaughter often says that she doesn't think she would have gone through year 12 if she didn't have the support of Mirabel. She had a close bond with the leaders who would give her counselling and helped her cope when things were really difficult. She feels as though she could still call the Mirabel leaders now if she needed them…"*
>
> Kinship carer (exited after 17 years with Mirabel)

> *"…Because of Mirabel I feel that I've been accepted for who I am…"*
>
> Child (13 year old)

The broader impact of Mirabel's activities to support kinship carers to be able to provide ongoing care to the children and to break the cycle of addiction is significant and profound. There are significant immediate and future benefits to the Government in the form of resources that can reallocated as a result of savings from alternative out-of-home care placements, reduction in illicit drug use and transitioning of young people from out-of-home care. Our conservative estimates suggest that this is worth $40 million which is ten times more than the investment made by the Government into Mirabel. Our estimates do not include potential savings for the health system or other long-term costs to society associated with poor outcomes many children experience in out-of-home care.

Value of the changes generated by the program

The application of the SROI methodology was able to illustrate the social and economic benefits that are being created by Mirabel in Victoria. The analysis shows that the present value of the investment in Mirabel for FY08-FY15 was $14.8 million, of which 8% was in the form of in-kind goods and services. The present value of benefits generated by Mirabel in Victoria over this period was $98.5 million. Accordingly, the SROI ratio is calculated to be 6.6:1, which means that for every $1 invested in Mirabel in Victoria between FY08 and FY15, $6.60 is returned in social and economic value.

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Table below provides a summary of value created, total investment and resulting SROI ratio.

SROI Summary for FY08 to FY15	
Total Present Value	$98.5 mil
Total Investment	$14.8 mil
Social Return on Investment (SROI) ratio	**6.6:1**

** Value calculated after discount rate of 3.8% (average RBA cash rate FY08-FY15)*
Table – SROI summary

As with any financial modelling, it is expected that any changes in the variables would result in changes to the SROI ratio. The sensitivity analysis is a useful indicator of which variables have the most significant impact on the ratio.

For the majority of scenarios tested, the SROI ratio remains above 1:1, indicating that the social value created is likely to be greater than the investment. However, in the future, it will be important to collect data related to the most sensitive variables to continue to validate these assumptions.

Insights from the analysis

Mirabel has developed a distinctive model of support which effectively addresses the unique needs of the children who have been orphaned or abandoned due to parental drug use and are now living in kinship care with extended family.

The analysis has demonstrated that Mirabel has been a significant contributor to creating healthier and happier kinship families, helping children growing up in kinship care to realise their potential and contributing towards breaking of the destructive cycle of drug addiction in Victoria. The critical elements which contributed to Mirabel's success in Victoria are:

- ***Mirabel is guided by a single vision and purpose:*** Mirabel's logic of change is ingenuously simple – bring normality into the lives of children who have been orphaned or abandoned due to parental drug use to give them the best possible start in life. By focusing on the unique needs of these children (and their kinship carers), Mirabel has been able to tailor their programs to provide a holistic, relevant and inclusive service.
- ***Long-term support delivered with heart and a high degree of skill:*** Mirabel's team of 25 staff bring an equal measure of professionalism, knowledge, skill and empathy to every interaction they have with the children and their kinship carers. Many have been with Mirabel for a long time which provides families with continuity and stability. This facilitates trust and confidence in the service Mirabel offers, making it a standout amongst the traditional service providers where staff turnover is generally high. In addition, each family is provided with tailored long-term support to meet their changing needs.
- ***Carefully targeted and managed funding that delivers significant value:*** The SROI ratio of 6.6:1 suggests that Mirabel extracts lots of value from each dollar it spends.
- ***Utilising community support for the delivery of the Mirabel model***: Mirabel volunteers have an important role in the lives of Mirabel's children. They are informal mentors and role models to the children, which helps reinforce to the children that there are people who care about their happiness and welling. The Mirabel volunteers also provide access to a diverse social and support network.
- ***Diverse and loyal supporter base:*** Mirabel has over 60 major donors and over 200 other supporters (organisations and individuals). This network provides both the essential financial

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and in-kind support to Mirabel. Mirabel's support network allows it to spread the financial risk because it does not rely on a handful of supporters for a large proportion of its funding.

"… The most important thing that my granddaughter has gotten out of Mirabel is taking her mind off what's going on even when she's gone through so much. She got to know others in the same situations that have also had drugs and violence in their lives and it's nice for her to be around children who understand each other…"

Kinship carer (10 years with Mirabel)

"…Before Mirabel, I felt alone and at my wits' end. My friends [outside of Mirabel] don't feel the same if they haven't been through what I have so while they can empathise they don't really know or understand. At Mirabel I made friends who I consider to be there forever, I don't see them as much as I should but I know they are there…"

Kinship carer (17 years with Mirabel)

"…I can honestly say, my grandson is 21 now and I haven't had any problems, he's not in trouble, he'll be okay and I think Mirabel is partly responsible for his wellbeing and confidence…"

Kinship carer (10 years with Mirabel)

About this project

Mirabel commissioned Social Ventures Australia (SVA) Consulting to understand, measure and value the changes generated through its activities. The SROI methodology was used to complete this analysis. SROI is a framework for understanding, measuring and accounting for social, economic and environmental value. It places a monetary value on the impact (the benefit) of an activity, and compares this with the cost incurred in creating that benefit. SROI is stakeholder informed. This increases the depth of analysis required, as it engages more broadly with those who experience change compared to traditional cost-benefit analysis.

The SROI analysis looked at the investment and the outcomes created for eight years between July 2007 and June 2015 (FY08-FY15). In conducting this SROI analysis, SVA Consulting interviewed Mirabel staff, partner agencies, funding bodies, volunteers and experts. In addition, SVA Consulting provided support to Mirabel with kinship carers interviews and surveying of young people. SVA also examined data collected by Mirabel and conducted secondary research of literature covering all aspects of out of home care.

This report is not an analysis of Mirabel's program design or delivery. It is a baseline SROI analysis that assesses the value of its activities over an eight year period, validated by the views of stakeholders and available data. Throughout the analysis professional judgements have been made to represent the change experienced by stakeholders and the value of these changes where data has not been collected over time.

SROI ratios should not be compared between programs or organisations without having a clear understanding of each organisation's mission, strategy, program logic, geographic location and stage of development. A judgement about investment decisions can only be made when using comparable data.

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1 Introduction

1.1 The Mirabel Foundation

Children orphaned or abandoned due to parental illicit drug use are one of the most vulnerable groups in our society. Exposure to parental drug use, physical abuse, neglect and other emotional traumas mean that these children are likely to have problems with brain development and difficulties associated with learning, emotional control, behaviour and social adjustment.

Kinship carers, often grandparents, are left to experience the consequences of parental drug use and trying to break the cycle of future drug use. They often find themselves struggling to support the needs of these children as they face financial and health problems, as well as emotional challenges and social isolation.

Every child has a childhood filled with love, hope and belonging

Mirabel's Vision

The Mirabel Foundation (Mirabel) assists children who have been orphaned or abandoned due to parental illicit drug use and are now in the care of extended family (kinship care). Mirabel is currently supporting approximately 1,500 disadvantaged children throughout Victoria and NSW. More than 80% of these children are living with grandparents in both formal and informal legal arrangements. Mirabel's activities are all inspired by a vision that every child has a childhood filled with love, hope and belonging and its mission to break the destructive cycle of addiction and disadvantage.

1.2 Project objective

Mirabel commissioned Social Ventures Australia (SVA) Consulting to understand, measure and value the changes generated through its Victorian operations. The SROI methodology was used to complete this analysis. The analysis was undertaken to assist Mirabel to better understand and articulate the value of its work in Victoria and to advocate for further investment into its activities, including supporting its expansion in other states.

SROI is an internationally recognised methodology used to understand, measure and value the impact of a program or organisation. It is a form of cost-benefit analysis that examines the social, economic, cultural and environmental outcomes created and the costs of creating them. The Social Value principles are explained in Appendix 1.

1.3 Project methodology

This report outlines the findings of the baseline SROI analysis completed for Mirabel's Victoria operations.

The analysis has been completed across six stages and is presented in Figure 1.1 and Table 1.1 below.

Figure 1.1 – Stages of project methodology

Stage	Description
Stage 1 Scope project	• Define the project scope including boundaries, timing for analysis, stakeholders and defining investment for Mirabel's activities in Victoria

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Stage	Description
Stage 2 Understand the change	• Engage with stakeholders to understand the outcomes that have been generated through the activities. This includes testing the relationship between objectives, inputs, outputs and outcomes • Develop the organisational logic and individual stakeholder logics
Stage 3 Measure change	• Identify and measure the outcomes that have been experienced by stakeholders through Mirabel in Victoria
Stage 4 Value change	• Identify relevant indicators and financial proxies to value the outcomes • Determine those aspects of change that would have happened anyway or are a result of other factors
Stage 5 Calculate the SROI	• Calculate the outcomes and compare to the investment into the activities using an impact map (in excel)
Stage 6 Reporting	• Synthesise and present key findings

Table 1.1 – Project methodology

Stages 2, 3 and 4 (i.e., understand, measure and value stakeholder outcomes) are the key stages of analysis. A number of questions need to be considered for each of these stages, which are outlined in Box 1.1 below.

Understand the change

- What is the organisational logic?
- What are the stakeholder logics?
- What are the changes that matter most to different stakeholders?
- What are the links between the activities and different changes that are experienced by stakeholders?
- Are the changes consistent between stakeholder groups?

Measure the change

- How would we know if changes have happened?
- How would we measure changes for stakeholders if there is limited data and evidence available?

Value the change

- What is the value of the changes that are experienced by different stakeholders?
- Using financial proxies, how valuable is a particular change?
- How long does the change last for (duration and drop off)?
- Would this value have been created anyway (deadweight)?
- Who else has contributed to the value being created (attribution)?
- Would this value creation displace other value being created (displacement)?

Box 1.1 – Understand, measure and value

1.4 Report structure

The structure of the report is set out below.

- Section 1 introduces the project
- Section 2 includes an overview of Mirabel and context within which it operates
- Section 3 includes a description of the project approach
- Section 4 describes the impact of Mirabel in Victoria
- Section 5 synthesises the findings and draws insights from the analysis.

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2 Overview of Mirabel and the context within which it operates

2.1 Context

Scale of the problem

Data from a recent report released by the Australian National Council on Drugs found that on best estimates, more than 230,000 Australian children are raised by adults who misuse alcohol or drugs. This figure equates to 13% of Australian children, or almost one in eight. This figure is higher than international estimates of around 10%.[1]

In New South Wales, up to 80% of investigated child abuse reports were associated with parental substance abuse. Similarly, the Victorian Department of Human Services reported that 65% of children in foster care presented with backgrounds of drug and alcohol misuse and that 62% of parents with a psychiatric problem were also affected by substance misuse.[2]

Impact of parental problem drug use on children

A growing body of research insists that parental substance misuse has the potential to impact on virtually all aspects of a child's health and development from conception onwards. The range of risk factors commonly cited includes:

- the adverse effect of pre-natal exposure to drugs and alcohol on the developing brain
- compromised parenting practices i.e. physically or psychologically unavailable parents
- increased risk of child maltreatment
- disruption to children's primary care
- neglect where household resources are invested in the pursuit and use of drugs
- exposure to activities related to drug use or drug seeking behaviour including violence within the home and other criminal activity
- risk of infectious diseases
- risk of developing early conduct and behavioural problems
- risk of failing at school
- elevated risk for developing substance use problems themselves.[3]

Children growing up in households with a substance abusing parent have been found to demonstrate more behavioural, conduct and attention-deficit disorders, and adjustment problems than other children; overall, they generally perform below average on many measures of behavioural and emotional functioning.[4] The more severe the drug problems and the longer the child is exposed to them, the more serious the consequences are likely to be.[5]

Research indicates that parents who misuse substances often struggle with other complex problems such as poor mental health, domestic violence, economic and housing insecurity and criminal activity.[6]

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[1] Dawe, S, Atikinson, J, Frye, S, Evans, C, Best, D, Lynch, M, Moss, D & Harnett, P 2007, Drug use in the family: impacts and implications for children, Australian National Council on Drugs, Canberra.

[2] Department of Community Services, 2002, Annual Report, Department of Community Services, NSW, p. 11; Department of Human Services, 2003, Public Parenting: A review of home based care services in Victoria, Melbourne, p. 35.

[3] For example see: Ibid.; Ryan, J 2006, Illinois Alcohol and Other Drug Abuse (AODA) Waiver Demonstration: Final Evaluation Report, Illinois Department of Family and Children's Services, US; Schilling, R, Mares, A & El-bassel, N 2004, 'Women in detoxification: Loss of guardianship of their children', Children and Youth Services Review , no.26, pp.463-480).

[4] Semidei, J, Radel, L & Nolan, C 2001, 'Substance Abuse and Child Welfare: Clear Linkages and Promising Responses', Child Welfare, vol. 80, issue 2.

[5] Advisory Council on the Misuse of Drugs, 2003, Hidden Harm: Responding to the needs of children of problem drug users, The report of an inquiry by the Advisory Council on the Misuse of Drugs, viewed 9 January 2009

[6] op. cit.

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Out-of-home care

Children (up to 18 years of age) who can no longer live with their parents (often due to child abuse or neglect) end up in out-of-home care. There are a range of out-of-home care types and placements which can be either statutory (formal) or informal.

The most recent statistics from the Australian Institute of Health and Welfare (AIHW, 2015) show that, as of 30 June 2014, there were 43,009 Australian children living in out-of-home care. This has increased from 7.7/1,000 children at 30 June 2013 to 8.1/1,000 children at 30 June 2014. In Victoria there were 7,710 children living in out of home care.

The AIHW statistics show that 93% of all children living in out-of-home care in Australia are in home-based care. Of that figure, 41% are in foster care, 48.5% are in relative/kinship care and 3.9% are in other forms of home-based care. A further 6% of children were placed in alternative living arrangements.[7]

At 30 June 2014, the vast majority of children living in out-of-home-care had been in care for more than one year. Twelve per cent of children had been in out-of-home-care for between 1-2 years, 28% had been in care for between 2-5 years, and 41% had been in out-of-home-care for more than 5 years.[8]

Many children in out-of-home-care experience multiple placement changes.[9] In a study profiling children in out-of-home care in South Australia, Delfabbro, Barber, and Cooper (2001)[10] found that 20% of the sample had between three and five placements, 18% had between six and nine placements, and 24% - almost a quarter of all children - had experienced ten or more previous placements during their time in care.

Placement instability can have significant adverse effects on children. A number of studies have found associations between continued instability and adverse psychosocial outcomes, such as emotional difficulties, behaviour problems and poor academic performance.[11]

Kinship care

Kinship care refers to the care provided by relatives or members of the child's social network. In most cases (approximately 80%), kinship carers are grandparents. Kinship care placements have greatly increased across all Australian states and territories and are the fastest growing form of out-of-home-care in Australia.[12]

The research highlights the benefits of kinship care as opposed to other types of out-of-home care. These include:

- Children ae able to maintain contact with family and friends
- Children are able to maintain a sense of belonging and self-identity and feel more settled because they are placed with people they know

[7] AIHW, 2015, Table A28, p. 97

[8] Ibid.

[9] Delfabbro, P., King, D., & Barber, J. (2010). Children in foster care: Five years on. Children Australia, 35(1), 22-30; Rubin, D. M., O'Reilly, A. L., Luan, X., & Localio, A. R. (2007). The impact of placement stability on behavioural well-being for children in foster care. Pediatrics, 119(2), 336-344.

[10] Delfabbro, P. H., Barber, J. G., & Cooper, L. (2001). A profile of children entering out-of-home care in South Australia: Baseline analysis for a 3 year longitudinal study. Children and Youth Services Review , 23, 865-891.

[11] Rubin et al. (2007)

[12] Paxman, M (2006). Outcomes for Children and Young People in Kinship Care: An Issues paper. New South Wales Department of Community Services; Smyth. C. and T. Eardley (2008), Out of Home Care for Children in Australia: A Review of Literature and Policy, SPRC Report No. 3/08, prepared for the Department of Families, Housing, Community Services and Indigenous Affairs, Social Policy Research Centre, University of New South Wales, Sydney.

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- Children have more stable placements and are less likely to experience multiple placements
- Kinship carers show a greater commitment with children feeling loved, valued and cared for.[13]

However, children come into care with a range of issues and challenges which brings multiple layers of complexity to their care that may threaten the stability of the placements.[14]

Kinship care is often provided by people with the following characteristics: female, typically grandparents, single, older, less educated, reduced health status, lower socio-economic status and unemployed, or having time spent out of the workforce. The motivations of kin to care for the child often relate to family loyalty, child attachment, family preservation, not wanting to split up siblings, and the desire for the child not to be placed in foster care.[15]

The impact on kinship carers of caring for a child or young person is significant and can be personal, financial, child-related or family-related. For example, personal impacts such as declining health, stress, loss of opportunities, mental health, fatigue, isolation, grief and guilt, and a loss of independence have been well documented. The financial impacts have also been well documented, and include: inadequate housing, overcrowding, poverty, insufficient income (that is often derived from welfare support), possible sacrifice of employment and income, and the rising costs associated for caring for the child.[16]

The child-related impacts on the carer are also considerable. Factors such as managing behaviour, managing a child's specific needs or issues (for example, disability, abuse effects, grief and loss), responding to family contact and visitations, working with a range of services and managing educational needs are well documented. Likewise, family-related issues including dealing with, and managing the family dynamics, the carers 'new' role within the family, grief and loss and concern over the adult parent and managing family tension and conflict is common. All of this contributes to kinship carers being placed under considerable stress and experiencing a range of adverse effects.[17]

2.2 Overview of the Mirabel Foundation

The Mirabel Foundation (Mirabel) was established in Victoria in 1998, and extended into New South Wales (NSW) in 2003, to assist children who have been orphaned or abandoned due to their parents' drug use and are living with extended family (kinship care). Mirabel is currently supporting approximately 1,500 disadvantaged children throughout Victoria and NSW. More than 80% of these children are living with grandparents in both formal and informal legal arrangements. Mirabel's activities are all inspired by a vision that every child has a childhood filled with love, hope and belonging and its mission to break the destructive cycle of addiction and disadvantage.

MMirabel supports children aged 0-17 years and aim to restore a child's sense of self-worth, belonging and hope for the future in order for them to reach their full potential as young adults.

The child is central to Mirabel's organisational structure. All of Mirabel's programs and services are built around the needs of the child, their kinship carers and their community. Mirabel provides a diverse range of services to the children and their kinship carers. The key groups of activities are:

[13] Everett, J. (1995). Relative Foster Care: An emerging trend in foster care placement, policy and practice. Smith College Studies in Social Work, Vol. 65(3), 239–254.
[14] Breman R. (October 2014). Peeling Back the layers – Kinship care in Victoria. 'Complexity in Kinship Care', Research Report, Baptcare Research Unit in partnership with OzChild and Anchor
[15] Ibid
[16] Ibid
[17] Ibid

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- **Assessment & crisis support:** Intake, assessment and referral for new families as well as those who are experiencing a current crisis
- **Therapeutic groups:** Girls and boys groups for children aged 8-12 which provide regular therapeutic activities and support of peers
- **Education:** For children aged 6 -17 who are struggling at school, educational support in the form of tutoring, teacher's aides, homework groups, assessments, school advocacy and financial assistance
- **Recreation:** For children aged 8-17, provision of exciting recreational experiences such as camps, day-trips and various events
- **Youth support:** For 13-17 year olds, provision of individual support to those who are experiencing crisis and support groups
- **Kinship Carer support groups:** Regular facilitated groups for carers which give access to arrange of supports including parenting information and peer support
- **Respite & Family events:** Family camps and events, opportunities for family getaway at Mirabel House and respite for carers
- **Advocacy:** Sector-wise advocacy including lobbying for policy changes, education sessions and staff training for NFPs and general community engagement.

The families that come to Mirabel are provided with continuous long-term support. Often families exit the service only when the last child in their care turns 18 or when their family situation changes, such as children being reunited with their parents or the family reallocates interstate.

In Victoria, over the last eight years (FY08-FY15) number of children and families supported by Mirabel grew at 10% per annum, from supporting 454 children and 269 kinship families to supporting 871 children and 521 families. During this time new referrals also increased by 22% per annum.

2.3 Investment (inputs)

Investment approach

The investment included in an SROI analysis is a valuation of all the inputs required to achieve the outcomes that will be described, measured and valued. Both monetary (cash) and non-monetary (in-kind) contributions were required between July 2007 and June 2015 (FY08 to FY15) to support Mirabel's Victorian operations.

This SROI analysis considers the changes that occurred from the inputs that were "used up", so the investment represents the expenses that were incurred in this period rather than the cash that was received.

In addition, a rate of 3.8% p.a. was applied to the investments made in the past in order to calculate its present value. This captures the time value of money and allows us to compare like-for-like investments. This rate was chosen as it is the average Reserve Bank of Australia's cash rate for the period between FY08-FY15.

Cash investment

Mirabel's Victorian operations have been funded through variety of sources including Government funding (State and Commonwealth), trusts and foundations, donations and fundraising.

Trusts and Foundations have been the largest contributors to Mirabel's operations providing over 45% of total funding over the eight year period. This is followed by the Government that accounted for 21% (most of it coming from the Commonwealth) and donations, representing 19% of the total contributions.

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In-kind investment

In-kind (non-financial) investment into Mirabel's activities comes from two sources: volunteers and other supporters.

Volunteers provide an essential contribution to the organisation. Mirabel relies on volunteers for the delivery of its recreational program which includes camps, therapeutic groups and family days. With approximately 230 volunteers on its books in FY15, it was estimated that over the last eight years volunteers contributed an average of 4,000 hours per annum of support to Mirabel in Victoria. Volunteer time was valued using Mirabel's casual employee rate of $24 per hour (adjusted for different years)[18], as this reflects the true savings realised by Mirabel that it would otherwise have to pay for casual staff (and does so when not enough volunteers are available). Over the eight year period, the value of volunteer contributions in Victoria was estimated at approximately $580k.

Mirabel also maintains relationships with a wide array of community and corporate organisations, as well as individuals, who donate tickets for Mirabel's children and carers for external (non-Mirabel) camps and activities (such as football matches or movies). Over the eight year period, Mirabel's children were able to attend approximately 500 different camps and received over 6,500 free tickets to the various events. Using a market value for these in-kind goods, it was estimated that over the eight year period Mirabel was able to provide its children and their carers with extremal camps and activities valued at approximately $650k in Victoria.

Investment Summary

Table 2.1 provides the summary of the investment, both cash and in-kind investment, into Mirabel's Victorian operations for FY08-FY15. This total investment is material, as it was essential to achieving the outcomes of the program.

Investment type	Source	Mirabel (Victoria) FY08-FY15*
Cash	Trusts and Foundations	$6,181k
Cash	Government (State and Commonwealth)	$2,894k
Cash	Donations	$2,589k
Cash	Fundraising and investments	$1,914K
Total (cash investment only)		***$13,579k***
In-kind	Volunteer time	$583k
In-kind	External camps and activities	$648k
Total (in-kind investment only)		***$1,231k***
Total (cash and in-kind investment)		**$14,808k**

Table 2.1 – Summary of investment
*In 2015 dollars

[18] The rate was deflated in line with changes to the Australian minimum wage rate over the last eight years, to estimated value of time for different years.

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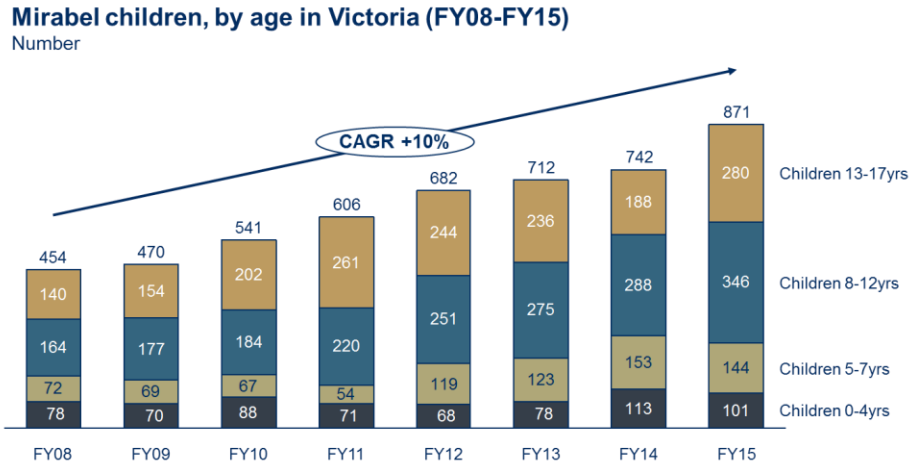
2.4 Activities and outputs

Children

In FY15, Mirabel supported 871 Victorian children living with kinship carers. This is an increase of 92% or 10% per annum since FY08. New referrals have also increased from 105 new children being referred in FY08 to 254 new children referred in FY15 (142% increase or an increase of ~13% per annum).

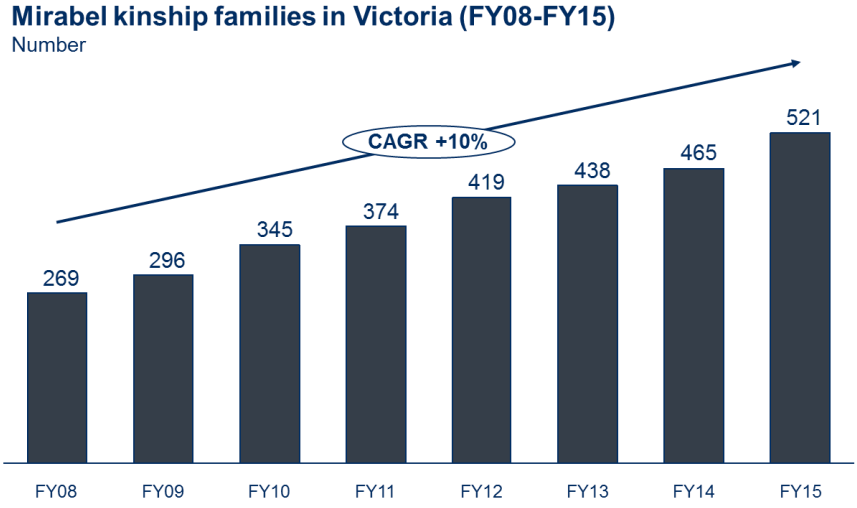


During the same period, 690 children were exited from the service with 202 (30%) because the child turned 18. Other key reasons for existing the service include the return of the child to a parent, or child was no-longer living with the carer.

Depending on the needs of the family, some children received more intensive support from Mirabel than others. Intensive support is usually provided to children who are new to Mirabel or families that are undergoing a crisis; it is also assumed that support provided is more intensive to the children that attend therapeutic groups and receive 1:1 youth support. It is estimated that on average 51% of children (aged 0-7) and 35% of children (aged 8-17) received intensive support.

Kinship carers

In FY15, Mirabel's support extended to 521 kinship families. This is an increase of 94% or ~10% per annum since FY08.



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3 Project approach

3.1 Project scope

Social Value International promotes the use and development of the SROI methodology. There are two forms of SROI analyses described in the SROI Guide: a forecast and an evaluative SROI analysis.[19] A forecast SROI analysis estimates the social value an organisation will create in the future. There is unlikely to be substantive evidence to support the value an organisation will create (because it hasn't happened yet). An evaluative SROI analysis estimates the social value an organisation has created in the past. In contrast to a forecast SROI analysis, an evaluative SROI should be based on evidence that has been collected over time.

In SVA's experience working with organisations seeking to assess the value created in the past, there is frequently limited evidence collected, or it may not be the right evidence to inform an SROI analysis. As a result, an evaluative SROI analysis may not always be appropriate in the first instance.

A baseline SROI analysis represents an alternative approach that assesses the value the organisation believes it created in the past, validated by the views of stakeholders, and provides a useful snapshot of the impact an organisation has created. This can be used as a benchmark for future measurement and valuation. Please note that this is SVA's practice and is not described in the SROI guide.

The scope of this project represents a baseline SROI analysis of Mirabel's Victorian operations for the investment period of eight years (July 2007 to June 2015).

This analysis is not an assessment of the cost effectiveness or efficiency of Mirabel's operations.

3.2 Understanding change

Organisational logic

SVA facilitated a theory of change workshop with Mirabel to develop the organisational logic model. The information from the workshop informed the development of the research approach to ensure the right data is collected from all relevant stakeholders.

Organisational (or program) logic tells the story of change that takes place as a result of the activities of the organisation or program. The logic model includes information on:

- The issue that the organisation or program is seeking to address
- The key participants in the activities of the organisation or the program
- The activities involved that organisation or program delivers
- The inputs required to generate the outcomes
- The outcomes of activities that occur through the organisation or program, for various stakeholders
- The overall impact of these outcomes.

The organisational logic developed during the workshop was subsequently refined to incorporate the evidence collected through stakeholder consultations.

Defining stakeholder groups

Stakeholders are defined as people or organisations that experience change, whether positive or negative, or those who want to see change, as a result of the activity.[20] For stakeholders to be included

[19] The SROI Guide, released in May 2009 and updated in January 2012. Available at: http://socialvalueuk.org/component/docman/cat_view/29-the-sroi-guide?Itemid=138
[20] The SROI Guide 2012, page 20: http://socialvalueuk.org/component/docman/cat_view/29-the-sroi-guide?Itemid=138

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they must be considered material to the analysis. Materiality is a concept that is borrowed from accounting. In accounting terms, information is material if it has the potential to affect the readers' or stakeholders' decisions about the program or activity. According to the SROI Guide, a piece of information is material if leaving it out of the SROI would misrepresent the organisation's activities.[21]

The stakeholder groups and sub-groups were defined in two phases:

1. The SVA researchers facilitated a theory of change workshop with Mirabel during which the stakeholders to include and exclude from the analysis was discussed
2. During stakeholder consultations, the materiality of the changes experienced by the stakeholder groups was considered. Following stakeholder consultation, the stakeholder groups were revisited and refined.

It was determined that there were five material stakeholder groups that experience outcomes:

- Stakeholder 1: Children (aged 0-7)
- Stakeholder 2: Children (aged 8-17)
- Stakeholder 3: Kinship carers
- Stakeholder 4: Volunteers
- Stakeholder 5: Government

In addition there were one material stakeholder group that provided input to the program:

- Stakeholder 6: Funders (corporate and individual)

Sub-groups of different types of children and kinship carers were considered, such as age, gender, Aboriginality, location, family size and length of engagement with Mirabel. However, children were eventually split into two groups where significant differences in the activities and outcomes were identified. During the consultations no other material differences in how different stakeholder sub-groups experience change were identified.

For further details regarding decisions to include or exclude stakeholders, see Appendix 2.

An SROI analysis requires that the changes are described, measured and valued. The purpose of stakeholder engagement was to understand the relative importance of changes (or outcomes), how the stakeholders would prove and measure change, how they would place value on outcomes, the duration of outcomes and what proportion of the outcome is attributable to others or would have taken place anyway.[22]

Consultation approach

Based on previous experience with similar projects, and initial consultations with Mirabel, a two-phased approach to stakeholder engagement was designed. During the first phase, SVA developed a random sample of past and current kinship carers who have accessed Mirabel's services in Victoria between July 2007 and June 2015. SVA also developed an interview guide to use during phone conversations with the kinship carers. Interviews were conducted by Mirabel with the SVA Consultant providing guidance and support. The first phase took two months to complete.

In the second phase, based on the findings from the kinship carer interviews, a range of additional stakeholders were identified for further consultation. These included experts, Mirabel's partner agencies, funders and volunteers. These interviews were conducted by the SVA Consultant. In addition, a sample of children (aged 12+) were asked to complete a survey.

[21] The SROI Guide 2012, page 9: http://socialvalueuk.org/component/docman/cat_view/29-the-sroi-guide?Itemid=138
[22] Please refer to Appendix 3 for the interview guides.

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It was considered inappropriate, due to ethical considerations, to conduct consultations with children under the age of 12. Instead, interviews with kinship carers and other stakeholder included questions specifically related to that stakeholder group to understand the outcomes experienced by them.

All other stakeholder groups considered to experience material changes have been consulted (see Table 3.1). Information from each interview was recorded by hand in a notebook and relevant information (including quotes) were transferred into a spreadsheet for analysis.

Extensive interviews were undertaken with Mirabel staff. These interviews were used to develop the organisational logic and to validate and expand on the information collected from interviews with other stakeholders.

Stakeholder group	Size of group (FY15)	Number involved in consultations
Children (aged 0-7)	245 children	• Excluded from consultations
Children (aged 8-17)	626 children	• 34 surveys collected (children aged 12 and over)
Kinship carers	521 kinship families	• 25 people (past and current kinship carers)
Partner agencies	19 agencies	• 2 interviews
Funders	61 major donors + over 200 organisations and individuals who provide financial and in-kind contributions	• 3 interviews (major donors)
Volunteers	230 volunteers (39 deeply engaged / long-term)	• 3 interviews
Mirabel staff	25	• 7 individual interviews • 2 staff members and a Board member engaged through Steering Committee meetings
Experts	N/A	• 1 individual (Melbourne University Researcher)
TOTAL		**78 people engaged through the process**

Table 3.1 – Summary of interaction with stakeholder groups during analysis

Key Mirabel staff were involved in the verification of results at three main points: stakeholder consultations (through feedback on the organisational and stakeholder logics); the measurement and valuation phase (through feedback on the measurement approach and the calculation of the value of outcomes); and the reporting phase (through feedback on the draft report). It is anticipated that Mirabel will share summary results of the analysis with funders, partner agencies, kinship carers, Government, its staff and volunteers.

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Other sources of data used

Other data sources used to supplement consultation are outlined in the table below.

Data source	Description	Use in the SROI analysis
1. Mirabel's data	• Various organisational overview / profile documents • Statistics for FY08-15 on children and families receiving support • Records of internal and external recreational activities • Financials • Previous evaluation reports • Submissions to Government • Volunteer feedback (select) • Kinship carers feedback (select) • Child and carer survey results (2014)	• To understand investment • To understand activities • To understand the change experienced by participants as articulated in other reports • To understand the context and background of the program
2. Secondary research	• Books, research papers and articles on kinship care (referenced throughout the report and listed in Bibliography) • Department of Prime Minister and Cabinet • Fair Work Ombudsman • Medicare • AMP, Cost of raising kids in Australia (2013) • ICF Australia • Department of Premier and Cabinet (Victoria) • Productivity Commission • National Drug Strategy Household Survey (AIHW) • Australian Bureau of Statistics • Department of Social Services	• To understand the context for the program • To develop financial proxy values

Table 3.2 – Other data sources used to supplement consultation

3.3 Measuring change

Defining material outcomes

The stakeholder outcomes represent the most significant consequences that were experienced by stakeholders involved with Mirabel in Victoria over the eight year period ending in June 2015. This is based on the data collected by Mirabel, stakeholder consultation throughout this project, secondary research and SVA analysis. Throughout the data collection process attention was paid to all possible consequences that will arise as a result of the activity: intended and unintended, positive and negative.

Defining the material outcomes for stakeholder groups is complex. When defining the material outcomes for each stakeholder group, an SROI practitioner must ensure that each outcome is unique or it would be considered double counting. This is difficult as the outcomes for each stakeholder group are necessarily related because they describe all of the changes experienced by the stakeholder. Outcomes also happen at different times throughout the period being analysed with different levels of intensity. There are also complex relationships between outcomes for different stakeholder groups.

Stakeholder outcomes were determined by applying the materiality test to the range of consequences identified in the theory of change. This was done through initial consultations with the relevant stakeholders and staff. The materiality of outcomes was again tested when the number of people experiencing the changes were measured and valued. No negative outcomes or unintended outcomes were found to be material.

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3.4 Valuing change

Financial proxies

Financial proxies are used to value an outcome where there is no market value. The use of proxies in this SROI analysis forms a critical component of the valuation exercise as most of the outcomes identified have no market values. There are a number of techniques used to identify financial proxies and value outcomes. Importantly, within an SROI analysis, the financial proxy reflects the value that the stakeholder experiencing the change places on the outcome. This could be obtained directly through stakeholder consultation, or indirectly through research. Techniques for valuing outcomes are included in Appendix 5.

The financial proxies approximate the value of the outcome from the stakeholder's point of view. Financial proxies in this SROI analysis have been identified primarily by using the revealed preference technique, which looks at the market price of a similar service, program or activity that the stakeholder could have done to achieve a similar change. The resource reallocation technique was used to develop financial proxies for the Government.

Through the research, we were not able to distinguish the relative value of different outcomes to children. Therefore, a single proxy was applied across all outcomes experienced by the children, so that the analysis does not artificially distinguish the importance of different outcomes.

For the outcomes experienced by the Government, the financial proxies cover the unique costs associated with the maintenance of kinship placements and better outcomes experienced by children as a result of Mirabel's support which reduce long-term costs associated with care leavers.

It was also not feasible to test the financial proxies directly with the stakeholders, however, the proxies were sense-tested with Mirabel to make sure they are relevant and are not over or under-valuing the change that is created as a result of the program.

Valuation filters

To present an accurate view of the unique value created through Mirabel's Victorian operations, valuation filters (SROI filters) are applied to the financial proxies. This is in accordance with the SROI principle of not over-claiming. Different techniques were used to identify the most appropriate filter for each of the outcomes, including SROI filter assumption categories (see Appendix 5).

- *Deadweight:* To estimate how much of the change would have happened anyway (i.e. without the intervention of the service), a literature review was conducted to identify the outcomes expected to be experienced by children placed into kinship care. The deadweight assumptions vary across stakeholder groups and outcomes.
- *Attribution:* Attribution estimates how much change was as a result of other stakeholders or activities which were not included in the investment. An understanding of the contribution of others to each outcome was determined through stakeholder engagement and applied to assumption categories to calculate attribution. The attribution assumptions vary depending on the intensity of support being provided by Mirabel.
- *Displacement:* Stakeholder engagement was used to identify if any of the outcomes displaced other activities. No activities were identified which were displaced as a result of Mirabel.
- *Duration and drop-off:* Duration refers to how long an outcome lasts for. The duration and drop-off are linked to whether the stakeholder is continuing to receive support from Mirabel or have exited the service.

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The application of the SROI filters calculates an adjusted annual value for each financial proxy identified for the analysis. This adjusted value represents the value of the outcome that can be solely attributed to the investment described in this analysis.

Valuing the outcomes

The total adjusted value is the value calculated for each outcome, which takes into account the following components:

- Quantity: the number of stakeholders that will experience an outcome
- Financial proxy: value of the outcome
- SROI filters: accounting for whether the outcome would have happened anyway (deadweight), who else will contribute to the change (attribution), whether the outcome will displace other activities or outcomes (displacement) and the how long the outcome will last for (duration and drop off)

The total adjusted value for outcomes sums the value created for each group of stakeholders experiencing change and also incorporates duration and drop-off.

A worked example of the adjusted value for the outcome *1.2a Increased engagement in school*, a change experienced by children (aged 8-17) who receive intensive support, is included in Figure 3.1 below.

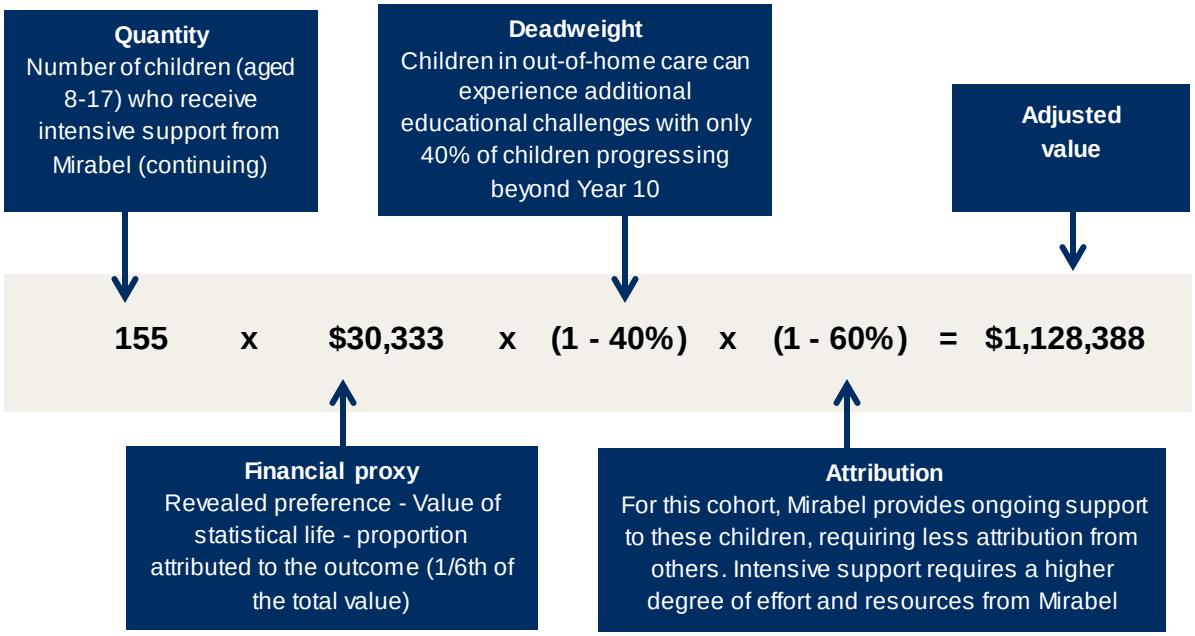

Figure 3.1 – Worked example for adjusted value of the outcome
**Values are rounded. For the detailed calculation refer to the Impact Map (separate excel spreadsheet)*

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3.5 SROI ratio

The SROI ratio is a comparison of the value of the benefits to the value of investment. It can be expressed as e.g. 3:1, which means that for every dollar invested, $3 of value is returned.

The following are some considerations when interpreting the SROI ratio:

- The values for the outcomes provide an indication of the value that was generated through Mirabel's Victorian operations only
- The SROI ratio represents the additional value created, based on the SROI principles. This is the unique value that is created by Mirabel attributable to the investment for this specific period
- SROI ratios should not be compared between organisations without having a clear understanding of each organisation's mission, strategy, program or stakeholder logic, geographic location and stage of development. A judgement about investment decisions can only be made when using comparable data
- A discount rate was used to discount benefits that are expected to be experienced in the future, to ensure that the costs and benefits that occur in different time periods are comparable.

It is important that the SROI calculations are tested by understanding how the judgements made throughout the analysis affect the final result. The judgements that are most likely to influence the SROI ratio were identified, and a sensitivity analysis was conducted to see how sensitive the ratio was to changes in these judgements. To decide which judgements to test, two key questions were considered:

- How much evidence is there to justify our judgement? The less evidence available, the more important it is to test
- How much does it affect the final result? The greater the impact, the more important it is to test.

4 Impact of Mirabel

This section sets out the SROI analysis for Mirabel.

4.1 Understanding the change

Organisational Logic

The organisational logic (or theory of change) tells the story of change that takes place as a result of Mirabel. The organisational logic includes information on:

- The issue that the organisation or program is seeking to address
- The key participants in the activities of the organisation or the program
- The activities involved that organisation or program delivers
- The inputs required to generate the outcomes
- The outcomes of activities that occur through the organisation or program, for various stakeholders
- The overall impact of these outcomes.

The inputs of the program (monetary and in-kind investment) have been collectively used to deliver Mirabel's activities in Victoria. The combination of activities and the frequency of activities is tailored to the needs of the children and kinship carers who are accessing support through Mirabel. As a result of the activities, children, kinship carers, volunteers and the Government experienced material outcomes.

Based on the evidence collected outcomes are realised immediately after the kinship carers reach out to Mirabel. The benefits occur immediately because these families do not have many other alternative

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options for support or they may find it challenging to navigate a very complex maze of out-of-home care support services.

The changes experienced by children and kinship carers lead to outcomes for the Government, both state and the Commonwealth. The overall impact of these outcomes has been healthier and well supported young people who are able to successfully transition into adulthood breaking the cycle of disadvantage and addiction. As a result, there is a reduced burden on Government services.

Mirabel's organisational logic is included in Figure 4.1. The outcomes described in the organisational logic are directly related to the outcomes experienced by different stakeholders in the SROI analysis, which are described later in the section.

This is a baseline analysis, therefore it captures the consequences that have occurred as a result of the investment made into Mirabel's Victorian operations during the investment period. Since this is the first time SROI has been applied to Mirabel, not all information related to the identified outcomes was captured over time. Therefore, professional judgement was applied to determine which outcomes have occurred for each stakeholder using a variety of data inputs including stakeholder consultations and organisational data.

No negative or unintended outcomes were identified. This is not surprising as children and kinship carers choose to participate in Mirabel's activities voluntarily and would therefore discontinue their involvement if they did not perceive it as being beneficial.

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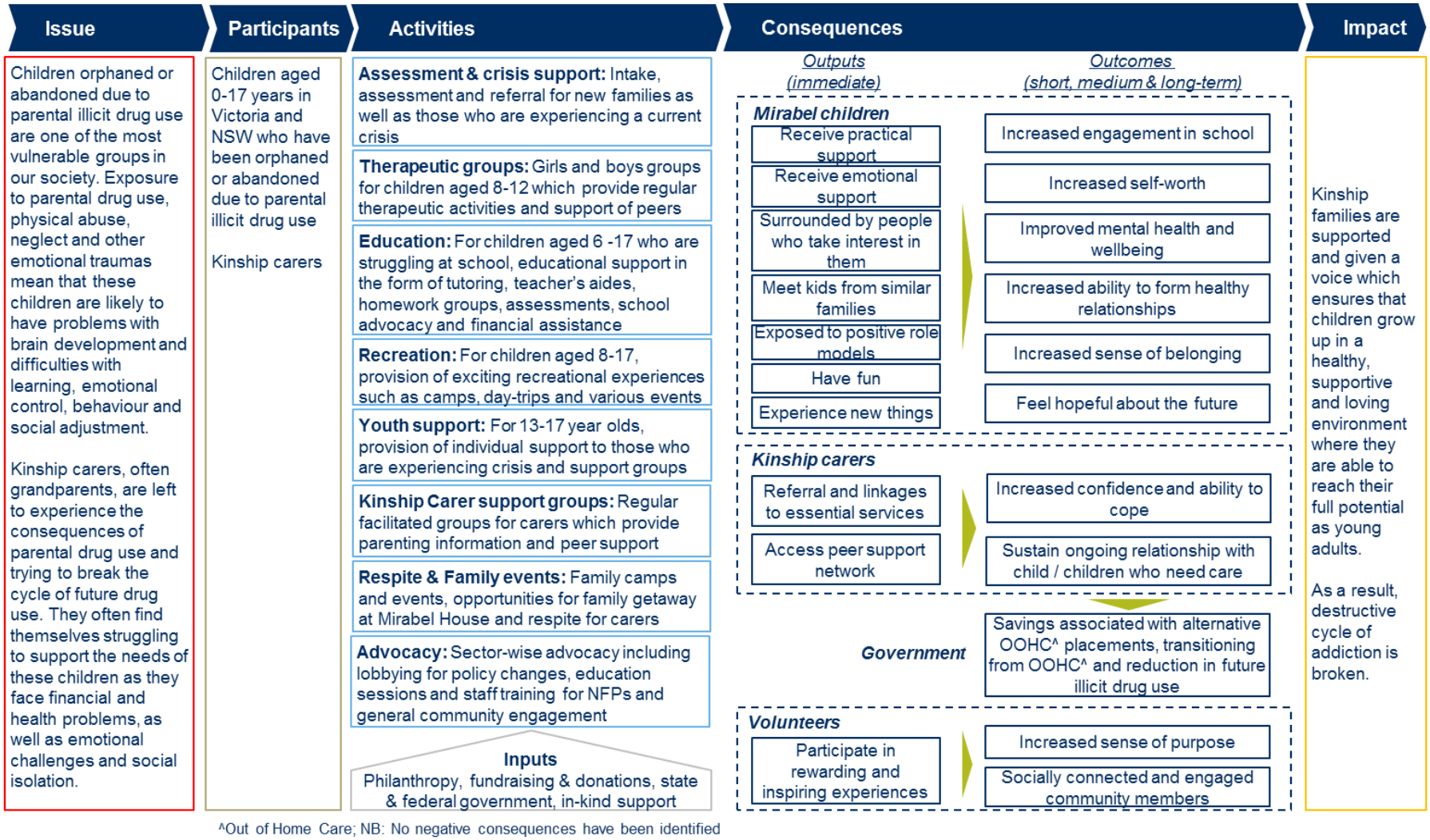

Figure 4.1 – Program logic for Mirabel

Stakeholder outcomes

The following sections outline the outcomes experienced by each stakeholder group.

Stakeholder 1 – Children (aged 0-7)

Mirabel supports young children (aged 0-7) who are in kinship care living in metro or rural areas of Victoria. These children are not directly supported by Mirabel, however, there are a number of ways in which they benefit from Mirabel's services. Through the assessment and crisis support, Mirabel would help their carer to identify the issues that the child might be facing and refer them to the appropriate support services, help carers access educational support and provide carers with money to purchase essential items for their children. In addition, some of these children are invited to attend Mirabel's family camps and events.

The table below summarises inputs (investment in the service), outputs (summary of activity) and outcomes (changes) that were experienced by children (aged 0-7).

Inputs	Outputs	Material outcomes
None	On average, 184 children (aged 0-7) have been supported by Mirabel per annum over the last eight years in Victoria. The number of children (aged 0-7) increased from 150 in FY08 to 245 in FY15 (growth of 7% per annum).	1.1 Increased engagement in school
		1.2 Improved mental health and wellbeing
		1.3 Increased ability to form healthy relationships
		1.4 Increased sense of belonging

Table 4.1 – Children (aged 0-7) inputs, outputs and material outcomes

The different elements of the Mirabel's support come together to facilitate a holistic transformation of the children's lives. Therefore, instead of distinguishing between the different threads that lead to the identified outcome, the story presents how these various elements work together to subsequently lead to the distinct outcomes identified for children (aged 0-7). This interconnection is represented in the stakeholder logic in Appendix 4.

When a new family is referred to Mirabel, children (aged 0-7) would be assessed by Mirabel to help identify their immediate and other needs. Based on the assessment, these children might then receive practical support through Mirabel which could range from referrals to specialists, to tutoring to support with purchasing of essential items like clothing.

> *"…One of the Mirabel workers organised for one of my grandsons to have a neurodevelopment assessment as he was having a very difficult time at school. From the assessment, he was found to have learning disability and other diagnoses which meant that he was able to access a lot more services, including having a teacher's aide at school and attending a psychologist… Mirabel guided me really well, I wouldn't have thought of that on my own…"*
>
> Kinship carer (11 years with Mirabel)

This effort is aimed at addressing any health or developmental concerns that these children might have because of past neglect, abuse or abandonment.

> *"…When her parents died, Tara [from Mirabel] took her out on activities a lot and spoke to her and got her back on her feet. She really looked forward to the counselling with Tara…"*
>
> Kinship carer (2 years with Mirabel)

Mirabel would also work with the kinship carer to ensure they are able to access the necessary financial support and ensure children are attending childcare, kinder or school. As a result of receiving these supports, children (aged 0-7) experienced improved physical health, behaviours and general wellbeing.

"…Mirabel staff worked with [my niece] when she was quite young to help her to understand what might be going on and why she lives with her Aunt. The most important consequence that came out of being involved with Mirabel was that [my niece] was able to start talking about how she felt about having parents who are drug addicts and having to live with me…"

Kinship carer (5 years with Mirabel)

This also has a positive impact on older children's engagement and performance at school which means that they are able to meet expectations such as following teacher instructions, basic reading and comprehension, and basic maths.

"… [Name]'s involvement with Mirabel helped her grow and understand her identity. It helped her in school as well as she is now able to explain who she is and be comfortable in her own skin…"

Kinship carer (5 years with Mirabel)

Being raised by a parent that is a drug addict can impact a child's ability to feel comfortable in social situations or to form normal relationships. This is as a result of emotional and developmental trauma they might have experienced. Through support from specialists and family activities, Mirabel supports children even, at this young age, to address some of the issues they might be facing. Ultimately, children (aged 0-7) increase their ability to form healthy relationships with their peers as well as build more trusting bonds with adults.

"…Children have a connection with the Mirabel leaders which I value highly. It is really good for the children to have these positive role models…"

Kinship carer (11 years with Mirabel)

Mirabel is a very welcoming place where children are surrounded by people who take an interest in them. Mirabel also ensures that every child in their care knows that there are people in his/her life that genuinely care for them.

"…Receiving birthday presents from Mirabel each year made the children feel they were cared about and thought about…"

Kinship carer (10 years with Mirabel)

Mirabel is also a place where children are surrounded by other families who come from similar circumstances. All of this helps children feel more safe and secure, and also experience a sense of normality. Like their friends at school, they have places to go during schools holidays and return with stories to share.

"… I look after four of my grandchildren. Mirabel has been amazing. Children received presents which took so much pressure off me. We went to Lord Somers camps and children didn't want to come home. They were so happy…"

Kinship carer (1 year with Mirabel)

Stakeholder 2 – Children (aged 8-17)

Mirabel supports children (aged 8-17) who are in kinship care living in metro or rural areas of Victoria. These children have access to a wide range of support from Mirabel including educational support, therapeutic groups, recreation, and family activities. The support provided could be both general in nature like attending a football match to more tailored intensive support.

The table below summarises inputs (investment in the service), outputs (summary of activity) and outcomes (changes) that were experienced by children (aged 8-17).

Inputs	Outputs	Material outcomes
None	On average, 451 children (aged 8-17) have been supported by Mirabel per annum over the last eight years in Victoria. The number of children (aged 8-17) increased from 304 in FY08 to 625 in FY15 (growth of 11% per annum).	2.1 Increased engagement in school
		2.2 Improved mental health and wellbeing
		2.3 Increased ability to form healthy relationships
		2.4 Increased sense of belonging
		2.5 Increased self-worth
		2.6 Feel hopeful about the future

Table 4.2 – Children (aged 8-17) inputs, outputs and material outcomes

The different elements of the Mirabel's support come together to facilitate a holistic transformation of the children's lives. Therefore, instead of distinguishing between the different threads that lead to the identified outcome, the story presents how these various elements work together to subsequently lead to the distinct outcomes identified for children (aged 8-17). This interconnection is represented in the stakeholder logic in Appendix 4.

Just as with children (aged 0-7), when a new family is referred to Mirabel, children (aged 8-17) would be assessed by Mirabel to help them identify their immediate and other needs. Based on the assessment, these children might then receive practical support through Mirabel which could range from referrals to specialists, to tutoring to support with the purchasing of essential items like clothing.

A child's ongoing performance at school is closely monitored and support is provided when any issues are identified. Supports available are homework clubs, tutoring support and funding towards teaching aids.

> *"…Mirabel has organised for each of the children to have tutoring at home 1 hour each week, as they were having difficulties in school…"*
>
> Kinship carer (6 months with Mirabel)

Mental health and wellbeing is very closely related to school engagement for this cohort. Mirabel provides these children with access to the necessary emotional support (both through how it works with these children as well as through referrals to other specialist services). This effort is aimed at addressing any health or developmental concerns that these children might have because of past neglect, abuse or abandonment.

Therapeutic groups and intensive youth support plays a particularly important role in improving mental health and welling for children (aged 8-17). Therapeutic groups expose these children to children who come from similar families and they provide access to a peer support network.

"…I can't ask Ally things like how does it feel not having Mum and Dad around, but Ally says they chat about things like that at girls group…"
Kinship carer (11 years with Mirabel)

Intensive youth support is provided to older children who are going through particularly tough times and could last for six months or more where a qualified member of Mirabel's team would work on a 1:1 basis with the child tailoring their response to the individual needs of the child. Both the therapeutic groups and intensive youth support help these children to process and gain insight into past trauma, and learn to identify and manage their feeling and emotions.

"…When the Mirabel leaders would come out to see [name] I would always see an immediate difference in her behaviour and her emotions; I think she felt really comfortable with them and that she could tell them anything and then they must have given her really good advice I think …"
Kinship carer (exited after 17 years with Mirabel)

As a result of receiving these supports, children (aged 8-17) experienced improved physical and mental health, increased self-esteem and confidence in own abilities, as well as the general wellbeing.

"… Mirabel provided support and stability to my grandson when he was younger which has helped him through troubled times …"
Kinship carer (15 years with Mirabel)

Children (aged 8-17) have access to a wide range of recreational activities including camps, family days and other activities. Many of the activities aim to connect children with a broad group of community volunteers, as well as help them establish peer networks with children who come from similar family circumstances.

"…Because of Mirabel I am better because I am less unhappy and I feel good being part of Mirabel's activities or talking to Mirabel's staff …"
Child (13 years old)

The idea is that allowing the kids to have fun and experience new things whilst being amongst a group of people that is supportive and understanding will mean that children will have a chance to feel 'normal'. They should not be burdened by the memories of their past or of bad things going on at home.

"… [Name] would've missed out on a lot in terms of enriching his life. He was given so much by Mirabel …"
Kinship carer (15 years with Mirabel)

"… Thanks to Mirabel I made new friends and have some people to talk to and instead of sitting alone in my room I have amazing activities to go to …"
Child (14 years old)

They are free to express themselves. As a result, children (aged 8-17) improve social skills, make new friends and increase confidence.

"…Children really enjoy Mirabel's activities! One of my grandsons used to be really shy but has made friends through boys group and has come out of his shell…"
Kinship carer (6 years with Mirabel)

"… The children were more confident, it was really character building for the children to be able to go on camps and other activities. My grandson used to never leave my side but after a little while, once he got to know Janine (Mirabel staff) he was able to go on overnight camps which was really good for him. To be able to go away meant that they could get confidence to be away from me, and to have fun …"

Kinship carer (10 years with Mirabel)

This leads to children increasingly taking up leadership roles both formal, as well as informal, where they take younger children under their wing and make sure that they are doing OK.

All of this has multiple compounding benefits which mean that these children are increasingly more able to form healthy relationships, feel like they belong, experience increase self-worth and are more hopeful for the future.

"… [Name] was a really good swimmer and Mirabel supported his swimming financially. He won 9 state medals in one year and he wouldn't have been able to do swimming at all if it wasn't for Mirabel…"

Kinship carer (10 years with Mirabel)

Stakeholder 3 – Kinship carers

Kinship carers, usually grandparents, provide full-time care to a child of a family member where the child's parents can no longer look after them. Carers usually reach out to Mirabel to access activities and supports for children in their care, however, many subsequently find that Mirabel can meet all their needs. The kinship carers have access to a wide range of support from Mirabel including carer support groups, crisis support and emotional support, referrals and linkages to services, as well as family days and respite.

The table below summarises inputs (investment in the service), outputs (summary of activity) and outcomes (changes) that were experienced by kinship carers.

Inputs	Outputs	Material outcomes
None	On average, 391 kinship families have been supported by Mirabel per annum over the last eight years in Victoria. The number of kinship families increased from 269 in FY08 to 521 in FY15 (growth of 10% per annum).	3.1 Increased confidence and ability to cope
		3.2 Sustain ongoing relationship with child / children who need care

Table 4.3 – Kinship carers inputs, outputs and material outcomes

Similar to how outcomes are realised for the children, the different elements of Mirabel's support for the kinship carers also work together to subsequently lead to the two distinct outcomes. This interconnection is represented in the stakeholder logic in Appendix 4.

Kinship carers often find themselves caring for children unexpectedly, because of a crisis in the family. Many take on the role of the carer only because they do not want the children to be placed in alternative

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care. The impact on kinship carers for caring for a child or young person is significant and ranges from personal, financial, child-related and family-related factors.

"…The only time off we get is when the kids are at Mirabel. I would not allow the children to stay away with others but I know that I can trust in Mirabel. When the kids are with Mirabel I feel safe, I know they won't come to harm…"

Kinship carer (4 years with Mirabel)

"…I would probably be in the crazy house by now- you need Mirabel to talk; I'm much more relaxed since I've been with Mirabel, I always used to be very stressed and always feared the worst. But now it wouldn't even matter if the worst things happen because Mirabel will help me and have the answer…"

Kinship carer (7 years with Mirabel)

Carers require a range of supports to be able to continue caring for the children in their care. Mirabel provides kinship carers with both practical and emotional support they require to help them deal with the situation they are in. This could include providing advice on how to access welfare benefits, referring a child to a psychologist, or providing referrals to legal advisors. Often Mirabel's role is to be that someone on the other end of the line listening.

"…We initially became involved with Mirabel for the children's programs, but both my wife and I found that there was also a lot of support for us as well. Mirabel was something we could lean on, we could give them a call for a referral or a chat about whatever is going on and if we're having any problems…"

Kinship carer (10 years with Mirabel)

"…Acquiring financial support from the government was a really important change for me. Since starting caring for my grandson I was writing letters and calling people but I believe that if Mirabel wasn't also doing the same thing and hadn't put each of the families in contact with one another so we could lobby as a group, it would have been more difficult to obtain the funding…"

Kinship carer (exited Mirabel after 17 years)

Carers can also choose to attend carers support groups, which in most locations are held on a monthly basis. These support groups only have other kinship carers whose family member has a history of drug use. Through the support groups, carers are able to access a peer support network where they can get advice and emotional support. Many also use this time to get respite or break from their caring duties.

"…I needed support. After I started caring for my grandchildren, I lost all of my friends straight away. At Mirabel I can discuss various issues openly and without judgement because I am surrounded by other people in similar situations. I feel comfortable saying whatever I feel that I needed to say…"

Kinship carer (7 years with Mirabel)

"…I could talk about problems and leave them in that room; we laughed together, cried together and consoled one another. I gained friends through the support groups and found that 'a problem shared was a problem halved…"

Kinship carer (10 years with Mirabel)

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As a result, many carers are able to gain a better understanding of the options available to them to effectively manage their personal circumstances, gain access to the services they need, are able to process and gain insight into their grief and trauma, and experience relief.

> *"…It's taken years of support from Mirabel to be strong enough to set boundaries with my daughter. Mirabel staff have helped me with strategies and building my strength in order to deal with my drug affected daughter when she is badly affected around me and the children…"*
>
> Kinship carer (11 years with Mirabel)

This facilitates establishment of better quality relationships between the kinship carers and the children because they feel supported and are more grounded. This all increases their confidence and ability to cope, as well as helps sustain an ongoing relationship with the children in their care.

> *"… For me the most important impact of Mirabel was that I was able to keep going with caring for the children…"*
>
> Kinship carer (15 years with Mirabel)

> *"…The kids may not still be with me if I had not been involved with Mirabel …"*
>
> Kinship carer (10 years with Mirabel)

Stakeholder 4 – Volunteers

Volunteers are members of the community who have volunteered with Mirabel for a long time and are deeply engaged across a variety of activities it provides every year.

The table below summarises inputs (investment in the service), outputs (summary of activity) and outcomes (changes) that were experienced by volunteers.

Inputs	Outputs	Material outcomes
$0.6mil (in-kind)	Over the last 8 years, Mirabel had approximately 32 deeply engaged volunteers (17% of the total volunteer base)	4.1 Increased sense of purpose
		4.2 Socially connected and engaged community members

Table 4.4 – Volunteers inputs, outputs and material outcomes

The outcomes experienced by the volunteers are also experienced concurrently, as a result of participating in the same sets of activities. This interconnection is represented in the stakeholder logic in Appendix 4.

Mirabel volunteers have an opportunity to work directly with children and families supported by Mirabel. Volunteers provide an essential input into the delivery of many Mirabel's activities which mean that participating is not only fun but also rewarding and inspiring.

> *"…Mirabel helped me heal my wounds. I had a personal experience of a parent passing, so contributing to the lives of young people who have gone through a similar experience has given my life more purpose and meaning. In fact, I am currently looking at how I can get further involved in helping young girls…"*
>
> Volunteer (2.5 years with Mirabel)

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"…I have volunteered with Mirabel for now 10 years since I was at University. It is such a rewarding and inspiring experience! It has become who I am now. When the kids remember you when they get older, and tell you how much fun they had with you, it is beyond rewarding…"
Volunteer (10 years with Mirabel)

Over time, volunteers are able to establish bonds with many children and carers and directly witness the impact Mirabel has on their lives. This helps them gain a deeper knowledge and appreciation of the issues that these children and their carers are dealing with every day.

It makes them feel good to be part of something that is purposeful and impactful. Many even become emotionally involved in the issue themselves leading to them becoming advocates for Mirabel and these families by sharing their stories with their broader networks and helping raise funds for the organisation.

"… I have been promoting Mirabel's purpose through any channel I can. Recently I have nominated Mirabel to become a selected partner of my employer where we would send volunteers and provide financial assistance to them as an organisation. They were successful so now our staff can choose to use their volunteer days with Mirabel…"
Volunteer (2.5 years with Mirabel)

"… I have introduced my family and my last workplace to Mirabel. I mostly do activities with them, but when I can I try to get involved a bit more. For example, last year I organised a present drive for them…"
Volunteer (10 years with Mirabel)

As a result, these individuals experience an increased sense of purpose and become more socially connected and engaged community members.

Stakeholder 5 – Government

Government is a funder and a proxy for the whole of government outcomes. This includes benefits to both the State and the Commonwealth Departments.

The table below summarises inputs (investment in the service), outputs (summary of activity) and outcomes (changes) that were experienced by Government.

Inputs	Outputs	Material outcomes
$2.9mil (cash)	Not applicable	5.1 Saving on alternative out-of-home care placements
		5.2 Reduction in costs to society associated with illicit drug use
		5.3 Reduction in costs associated with transitioning from out-of-home care for young people

Table 4.5 – Government inputs, outputs and material outcomes

There are three distinct outcomes experienced by Government. These are described below and also illustrated in the stakeholder logic in Appendix 4.

5.1 Saving on alternative out-of-home care placements

As a result of having access to Mirabel support, both formal and informal kinship care placements are able to be maintained. As a result, the government is likely to be saving resources on having to place children in alternative out-of-home care placements.

When placement break down occurs, both statutory and informal out-of-home care placements would result in children being placed under the care of the Government either in residential care (for children aged 13+) or the foster care system (for younger children).

> *"I know it's a cliché to say this, but I really do not know where we would be without Mirabel. Mirabel helped us get support and [my grandson] is still with me now at 19 years old…"*
>
> Kinship carer (exited Mirabel after 17 years)

5.2 Reduction in costs to society associated with illicit drug use

In addition, by ensuring that the placement breakdown does not occur, the kinship carers are able to provide children with the supports they need to ensure that they are not following the paths of drug addiction. As a result, the Government experiences a reduction in the costs to society associated with illicit drug use.

> *"… [Name] is a pretty rounded girl. She makes mistakes, like everyone does, but has turned out a really good person. Mirabel definitely kept her on the straight and narrow. This was especially important during her early teen years. She is working really hard at the moment and is thinking about maybe doing psychology at university. I think the advice that she had been given from Mirabel leaders have helped her become like this…"*
>
> Kinship carer (exited Mirabel after 17 years)

5.3 Reduction in costs associated with transitioning from out-of-home care for young people

It is well documented that children who are raised in the out-of-home care system, particularly those that live in residential care facilities, experience poor outcomes. Many care leavers come into contact with a significant number of Government services due to poor health (physical and mental), lack of community linkages and poor educational engagement. As a result, there are costs to Government associated with housing, the justice system and corrective services, police, drug and alcohol services, mental health, health, employment, and lost tax revenue when these young people transition from out-of-home care. As a result of kinship carers and the children in their care being well supported over a long period of time through Mirabel, the costs of transitioning from the out-of-home care system are reduced.

4.2 Measuring the change

This section describes how the identified outcomes were measured. The outcomes were measured using indicators that were identified and defined as part of the SROI analysis. Indicators are ways of knowing that change has happened. In an SROI analysis they are applied to outcomes, as these are the measures of change that we are interested in.

Measurement approach

This is the first time an SROI analysis has been applied to Mirabel's operations in Victoria. Therefore, there has been a limited amount of data collected over time which would validate the outcomes identified through the program logic. For this analysis we developed an understanding of the changes experienced by stakeholders through stakeholder consultation (interviews and survey of children), and used applicable data collected by Mirabel to quantify the amount of change that has occurred.

Mirabel keeps extensive record of its activities. In this analysis we used the following data for the period of investment (FY08-FY15):

- Annual number of children supported in Victoria, by age group
- Annual number of new children referred in Victoria
- Annual total number of children who exited the service in Victoria
- Annual number of children who exited the service in Victoria because of turning 18
- Annual number of families supported
- Annual number of new families referred to the services
- Records of attendance at Mirabel's activities for both carers and children
- Review of case files to identify whether young people who exited the services were likely to pursue positive pathway based on records of their engagement with education, extracurricular activities or employment at the time of exit
- Review of case files to identify the proportion of children aged 13-17 who have not turned to illicit drug use
- Data related to the type of kinship arrangements of Mirabel's families (statutory vs informal)
- Records of volunteers over time to identify those individuals who have demonstrated deep long-term engagement.

This data has been pulled together from the variety of sources including Mirabel's database, annual reports, records kept by individual staff members, funder and other reports, review of case notes, as well as, extensive discussions with Mirabel's staff members many of whom have been with the organisation for almost the entire period under the analysis.

To help us quantify the amount of change that has occurred, based on the stakeholder consultations, a number of assumptions were made:

Children (aged 0-7):

- Children are divided on those that receive intensive support and those that need only 'light-touch' / general support
- Intensive support is provided to children (aged 0-7) who have just been referred to Mirabel
- Intensive support is also provided to families that are experiencing a current crisis. It is assumed that 15% of all children (aged 0-7) would be from families that are undergoing crisis p.a.
- Educational outcome is only experienced by children aged 5-7.

Children (aged 8-17):

- Children are divided on those that receive intensive support and those that need only 'light-touch' / general support
- Intensive support is assumed to be provided to children who regularly attend therapeutic groups (aged 8-12) or receive youth support (aged 13+).

Kinship Carers:

- Carers are divided on those that receive intensive support and those that need only 'light-touch' / general support
- Intensive support is assumed to be provided to carers that regularly attend carer support groups
- Intensive support is also provided to approximately 20% of the kinship carers (most of these are located rurally).

Volunteers:

- Only deeply engaged / long-tern volunteers experience the identified outcomes.

Government:

- Children under the age of 13 will be placed into foster care if kinship placement, either statutory or informal, breaks down
- Children over the age of 13 will be placed into residential care if kinship placement, either statutory or informal, breaks down
- 95% of Mirabel's kinship families would maintain placement (assumption based on the actual information collected by Mirabel on the placement maintenance amongst the families they support)
- 85% of children aged 13-17 who are in Mirabel's care would not turn to illicit drugs (assumption based on the analysis on the Mirabel's case files)
- 65% of children who exit Mirabel at the age of 18 will pursue a positive pathway (assumption based on the analysis on the Mirabel's case files). This is a conservative estimate, as young people whose circumstanced were unknown were also excluded (represent 20% of the total group).

Applying these assumptions allowed us to quantify the amount of change that has occurred as a result of Mirabel's activities in Victoria over the last eight years. For a detailed understanding on how these assumption were applied, see the Impact Map (excel).

Indicators of change

Both objective and subjective outcome indicators were identified during stakeholder consultation. An indicator is credible if it can demonstrate that the outcome has been achieved. A mixture of subjective and objective indicators supports more robust measurement.

Given the long term nature of support from Mirabel, and the voluntary nature of participation in the programs, there is a strong logical link between participating in Mirabel's activities and experiencing the outcomes. Therefore, many of the outcome indicators used in this baseline SROI analysis are based on children and carers participating in Mirabel activities. This was validated through stakeholder consultation.

Table 4.6 summarise the indicators used to measure the outcomes for this SROI analysis. Where same indicators and quantities were used to measure outcomes, these have been grouped.

Outcomes	Indicator	Quantity*
Children (aged 0-7)		
1.1 Increased engagement in school **1.2 Improved mental health and wellbeing** **1.3 Increased ability to form healthy relationships** **1.4 Increased sense of belonging**	Number of children (aged 5-7) who receive intensive support from Mirabel (average per annum)	51
	Number of children (aged 5-7) who receive general support from Mirabel (average per annum)	49
	Number of children (aged 0-7) who receive intensive support from Mirabel (average per annum)	94
	Number of children (aged 0-7) who receive general support from Mirabel (average per annum)	90
Children (aged 8-17)		
2.**1 Increased engagement in school** 2.**2 Improved mental health and wellbeing** 2.**3 Increased ability to form healthy relationships** 2.**4 Increased sense of belonging** **2.5 Increased self-worth** **2.6 Feel hopeful about the future**	Number of children (aged 8-17) who receive intensive support from Mirabel (continuing) (average per annum)	155
	Number of children (aged 8-17) who receive general support from Mirabel (continuing) (average per annum)	210
	Number of children (aged 8-17) who receive intensive support from Mirabel (exited) (average per annum)	37
	Number of children (aged 8-17) who receive general support from Mirabel (exited) (average per annum)	50
Kinship carers		
3.1 Increased confidence and ability to cope	Number of carers who receive intensive support from Mirabel (average per annum)	191
3.2 Sustain ongoing relationship with child / children who need care	Number of carers who receive general support from Mirabel (average per annum)	199
Volunteers		
4.1 Increased sense of purpose **4.2 Socially connected and engaged community members**	Number of deeply engaged (long-term) volunteers (average per annum)	32
Government		
5.1 Saving on alternative out-of-home care placements	Number of children (aged over 13) who avoid being placed into residential care (average per annum)	202
	Number of children (aged under 13) who avoid being placed into foster care (from informal kinship care) (average per annum)	139
	Number of children (aged under 13) who avoid being placed into foster care (from statutory kinship care) (average per annum)	261
5.2 Reduction in costs to society associated with illicit drug use	Number of children (13-17) who have not turned to illicit drug use (average per annum)	181
5.3 Reduction in costs associated with transitioning	Number of children exited from Mirabel (aged 18+) who are highly likely or very likely to pursue positive pathways	131

Outcomes	Indicator	Quantity*
from out-of-home care for young people		

Table 4.6 – Indicators for the outcomes
**Average number per annum during the investment period*

4.3 Valuing the change

Table 4.7 shows the full value of the financial proxies for each of outcome, and the description and rationale for selecting the proxy.

Outcomes	Financial proxy (description)	Financial proxy value (per annum)	Financial proxy rationale
Children (aged 0-7)			
1.1 Increased engagement in school	Value of statistical life - proportion attributed to the outcome (1/6th of the total value)	$30,333 for each individual outcome $182,000 is the full value of the holistic changes experienced by children per annum, which is represented by 6 outcomes identified in the program logic; 4 of the outcomes are experienced by this stakeholder group	Revealed preferences: Capture the average value people and society are willing to pay to have a good healthy life or to prolong a life. Mirabel provides a holistic support and transforms the lives of these children to help them live healthy lives
1.2 Improved mental health and wellbeing			
1.3 Increased ability to form healthy relationships			
1.4 Increased sense of belonging			
Children (aged 8-17)			
2.1 Increased engagement in school	Value of statistical life - proportion attributed to the outcome (1/6th of the total value)	$30,333 for individual outcome $182,000 is the full value of the holistic changes experienced by children which is represented by 6 outcomes identified in the program logic	Revealed preferences: Capture the average value people and society are willing to pay to have a good healthy life or to prolong a life. Mirabel provides a holistic support and transforms the lives of these children to help them live healthy lives
2.2 Improved mental health and wellbeing			
2.3 Increased ability to form healthy relationships			
2.4 Increased sense of belonging			
2.5 Increased self-worth			
2.6 Feel hopeful about the future			
Kinship carers			
3.1 Increased confidence and ability to cope	Cost of counselling plus the value of respite time	$6,724	Revealed preferences: Mirabel provides both emotional support as well as opportunities for respite to the kinship carers

Outcomes	Financial proxy (description)	Financial proxy value (per annum)	Financial proxy rationale
3.2 Sustain ongoing relationship with child / children who need care	Average cost of raising a child per annum (low income family)	$12,713	Revealed preferences: Amount kinship carers are willing to pay to ensure they are able to continue to care for the child
Volunteers			
4.1 Increased sense of purpose	Cost of a life coach (annual)	$1,800	Revealed preferences: Alternative approach to how a person might try to find increase purpose in life through work with a life coach
4.2 Socially connected and engaged community members	Payment for leadership role (statutory authority board member annual fee)	$5,556	Revealed preferences: A payment that recognises a contribution made to the broader community
Government			
5.1 Saving on alternative out-of-home care placements	Savings to government associated with reduction in number of children in residential care	$320,728	Resource reallocation: Costs avoided by Government as a result of kinship care placement maintenance
	Savings to government associated with reduction in number of children in foster care	$32,097	Resource reallocation: Costs avoided by Government as a result of kinship care placement maintenance
	Saving associated with lower costs of support (case management) for informal kinship carers	$4,365	Resource reallocation: Costs avoided by Government as a result of kinship care placement maintenance
5.2 Reduction in costs to society associated with illicit drug use	Annual costs of drug abuse to Government	$18,908	Resource reallocation: Avoidable costs associated with illicit drug use including human costs, economic costs and justice costs
5.3 Reduction in costs associated with transitioning from out-of-home care for young people	Annual cost to Government of supporting care leaver	$40,000	Resource reallocation: Avoidable costs associated with transitioning from OOHC are mitigated when children receive the right support whilst in care

Table 4.7 – Financial proxies used in the SROI analysis

For a detailed description of the valuation of each of the outcomes including the calculations and the source of the financial proxy, please refer to Appendix 7.

Tables 4.8 and 4.9 show the SROI filters applied to the outcomes to prevent over-claiming the unique value of Mirabel's operations in Victoria between FY08 and FY15. No displacement was found.

Outcomes	Deadweight		Attribution	
Children (aged 0-7)				
1.1 Increased engagement in school	Research shows that children and young people in out-of-home care have lowed educations outcomes compared to other children. International and national data suggests that only 40% of children in out-of-home care progress beyond Year 10	40%	For this cohort, Mirabel's key role is to identify issues and facilitate support from other services. In intensive support recognising that attribution to others is less (80% vs 90%), due to more effort required by Mirabel to respond to the needs of these children.	Intensive support =80%
1.2 Improved mental health and wellbeing	Studies of children in out-of-home care consistently describe high rates of mental health disorders characterised by behavioural disturbances such as oppositional defiant disorder, conduct disorder and attention difficulties. Child welfare investigation on average found clinically significant behaviour and emotional problems in 42-48% of children (average 45%). This means in 55% of cases, child's mental health would be considered normal.	55%		
1.3 Increased ability to form healthy relationships	Placement breakdown is one of the key contributors to poor outcomes experienced by children and young people in out-of-home care. Studies have found that 49% of kinship placements break down by the third year of placement.	51%		General support = 90%
1.4 Increased sense of belonging		51%		
Children (aged 8-17)				
2.1 Increased engagement in school	As per outcome 1.1	40%	Mirabel works directly with this cohort and has a wide range of activities and services available to them. Where intensive support is provided attribution to others is lower (60% vs 90%) due to the extent of support Mirabel would provide to these children versus other organisations or people.	Intensive support =60%
2.2 Improved mental health and wellbeing	As per outcome 1.2	55%		
2.3 Increased ability to form healthy relationships	As per outcomes 1.3 & 1.4	51%		
2.4 Increased sense of belonging		51%		General support = 90%
2.5 Increased self-worth		51%		
2.6 Feel hopeful about the future		51%		

Outcomes	Deadweight		Attribution	
Kinship carers				
3.1 Increased confidence and ability to cope	The literature provides strong evidence that grandparents caring for grandchildren can experience negative outcomes such as increased depression, lower levels of marital satisfaction and poorer health; loss of support networks. Given limited supports that are available for kinship carers, it would have been unlikely that these outcomes would have occurred without Mirabel.	0%	Carers that receive intensive support have high support needs are rarely access support outside of Mirabel which is recognised through a lower attribution to others (25% vs 75%).	Intensive support =25% General support = 75%
3.2 Sustain ongoing relationship with child / children who need care	Studies have found that 49% of kinship placements break down by the third year of placement.	51%	Carers that receive intensive support have high support needs are rarely access support outside of Mirabel which is recognised through a lower attribution to others (25% vs 75%).	Intensive support =25% General support = 75%
Volunteers				
4.1 Increased sense of purpose	ABS survey of voluntary work in Australia (4441.0, 2010) reported that 36% of Australian population volunteered. Out of those that volunteered 35% volunteered at least once per week and 27% at least once per month. It is therefore assumed that 21% of Mirabel's volunteers would have found alternative volunteer opportunities that would have helped them achieve similar outcomes	21%	Mirabel is a sole influencer for this outcome	0%
4.2 Socially connected and engaged community members		21%		
Government				
5.1 Saving on alternative out-of-home care placements	Studies have found that 49% of kinship placements break down by the third year of placement.	51%	Weighted-average attribution based on attribution assumption for carers and children.	75%
5.2 Reduction in costs to society associated with illicit drug use	Children of parents who abused drugs are 45 to 79 percent more likely to abuse drugs themselves than the general population (National Institutes of Health (NIH), USA). Australian research produced similar evidence.	38%		

Outcomes	Deadweight		Attribution	
5.3 Reduction in costs associated with transitioning from out-of-home care for young people	Research studies have shown that an estimated 55 percent of out-of-home leavers become high users of government support services, such as income support health, justice and mental health services. 45% of young people would require minimal or no support services beyond those provided and required by the general population.	45%		

Table 4.8 – SROI filters: Deadweight and Attribution

"…I think the impact Mirabel had on us would last a lifetime because they've opened up doors for us. We had nowhere else to turn to but Mirabel was there. It's been life changing being involved with Mirabel…"

Kinship carer (5 years with Mirabel)

"…For my granddaughter, I think the impact will last forever. She still uses the advice and coping skills she learnt through Mirabel, they are ingrained in her. As for me, I still miss Mirabel terribly and when things are really bad, I often go back to the things we spoke about at Mirabel…"

Kinship carer (exited Mirabel after 17 years)

Outcomes	Duration		Drop-off	
Children (aged 0-7)				
1.1 Increased engagement in school	Lasts for the duration of investment (calculated as average length of time children have been in Mirabel's care during the investment period) plus 1 year	5	50% drop-off from year 5 (after the period of investment) to recognise that Mirabel's influence will quickly deteriorate without ongoing investment	50%
1.2 Improved mental health and wellbeing		5		50%
1.3 Increased ability to form healthy relationships		5		50%
1.4 Increased sense of belonging		5		50%
Children (aged 8-17)				
2.1 Increased engagement in school	It is assumed that children under the age of 18 would be continuing to receive services for Mirabel. For this cohort, the outcomes would last for the duration of investment (calculated as average length of time children have been in Mirabel's care during the investment period) plus 1 year	Cont = 5 Exit = 11	Continuing children: 50% drop-off from year 5 (after the period of investment) to recognise that Mirabel's influence will quickly deteriorate without ongoing investment	Cont = 50% Exit =14%
2.2 Improved mental health and wellbeing				
2.3 Increased ability to form healthy relationships				

Outcomes	Duration		Drop-off	
2.4 Increased sense of belonging	Children that turn 18 and exit the service, would have experienced the outcome for the duration that they were in the program (calculated as average length of time children have been in Mirabel's care during the period of investment) plus a further 7 years (assuming that impact will be maintained throughout young adulthood until 25 years old)		Exited children: 14% drop-off from year 5, to recognise that Mirabel's impact on the child's life would slowly decrease as he/she grows up	
2.5 Increased self-worth				
2.6 Feel hopeful about the future				
Kinship carers				
3.1 Increased confidence and ability to cope	Lasts for the duration of investment (calculated as average length of time carers have been in Mirabel's care during the investment period) plus 1 year	5	50% drop-off from year 5 (after the period of investment) to recognise that Mirabel's influence will quickly deteriorate without ongoing investment	50%
3.2 Sustain ongoing relationship with child / children who need care		5		50%
Volunteers				
4.1 Increased sense of purpose	Average number of years volunteered with Mirabel for the duration of the investment period. Need ongoing engagement with Mirabel to experience outcome	8	No drop-off because outcome lasts only for the period of investment	0%
4.2 Socially connected and engaged community members		8		0%
Government				
5.1 Saving on alternative out-of-home care placements	Lasts for the duration of investment (calculated as average length of time families maintained contact with Mirabel during the investment period)	4	No drop-off because outcome lasts only for the period of investment	0%
5.2 Reduction in costs to society associated with illicit drug use	Number of years young people are at risk (i.e. between 13 and 17 years of age) before they exit Mirabel and 7 years after	12	Drop-off of 14% after children turn 18 and exit Mirabel services to recognise decreasing impact of Mirabel on the person's life as they age	14%
5.3 Reduction in costs associated with transitioning from out-of-home care for young people	Inadequate support of young people during care, will impact the rest of their young adult lives	7		14%

Table 4.9 – SROI filters: Duration and Drop-off

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4.4 Calculating the SROI and testing assumptions

Table 4.10 is a summary of the total adjusted for all of the outcomes experienced by each stakeholder group.

Outcomes	Total value for outcome ($'000)	Value per stakeholder group ($'000)
Children (aged 0-7)		
1.1 Increased engagement in school	$1,241	$6,652 (6%)
1.2 Improved mental health and wellbeing	$1,703	
1.3 Increased ability to form healthy relationships	$1,854	
1.4 Increased sense of belonging	$1,854	
Children (aged 8-17)		
2.1 Increased engagement in school	$9,642	$48,372 (44%)
2.2 Improved mental health and wellbeing	$7,232	
2.3 Increased ability to form healthy relationships	$7,875	
2.4 Increased sense of belonging	$7,875	
2.5 Increased self-worth	$7,875	
2.6 Feel hopeful about the future	$7,875	
Kinship carers		
3.1 Increased confidence and ability to cope	$5,853	$11,275 (10%)
3.2 Sustain ongoing relationship with child / children who need care	$5,423	
Volunteers		
4.1 Increased sense of purpose	$361	$1,475 (1%)
4.2 Socially connected and engaged community members	$1,114	
Government		
5.1 Saving on alternative out-of-home care placements	$34,564	$42,663 (39%)
5.2 Reduction in costs to society associated with illicit drug use	$4,757	
5.3 Reduction in costs associated with transitioning from out-of-home care for young people	$3,342	
TOTAL (before discounting)		**$110,438**
TOTAL (after discount rate of 3.8%)		**$98,454**

Table 4.10 – Total adjusted value of outcomes

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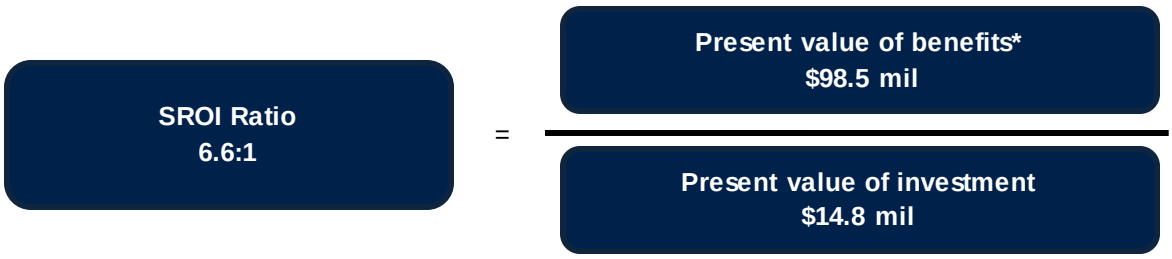
*

The SROI is generated by comparing the total value of the adjusted outcomes experienced by stakeholders to the investment required to create the value.

Mirabel's Victorian operations delivered an SROI ratio of 6.6:1 based on the investment for eight years between FY08 and FY15.

That is, for every $1 invested, approximately $6.60 of social and economic value has been created.



* Value calculated after discount rate of 3.8% (average RBA cash rate betw een July 2007 and June 2015)
Figure 4.2 – SROI ratio for Mirabel (Victoria)

Testing assumptions

The assumptions that were tested in the sensitivity analysis for this report are in Table 4.11 below.

	Variable	Baseline judgement	New Assumption	SROI Ratio
Baseline				**6.6:1**
1	Financial proxy: Outcomes for children	Revealed preferences using value of statistical life year ($182,000) split into six equal parts across the full range of outcomes experienced by children (representing the components of a 'healthy' life)	Revealed preferences using cost of residential care ($352,825 p.a.) to support a child / young person who can no longer live with their parents, split into 6 equal parts	9.7:1
			Revealed preferences using cost of foster care ($32,097 p.a.) plus Commonwealth parenting support ($9,375 p.a.) for a child / young person who can no longer live with their parents, split into 6 equal parts	4.1:1
2	Quantity & Deadweight: Quantity of children and kinship carers experiencing change and deadweight for Outcome 5.1	Quantities are calculated based on a number of assumptions. Key assumptions are: - all children and kinship carers benefit from Mirabel's support - some children (45%) and some carers (49%) experience more significant impact because they access some intensive support	Assume that only a small proportion of children and carers (10%) experience outcomes as a result of Mirabel. However, Mirabel's record indicate that only a very small proportion of kinship families they worked with over the last eight years experienced placement breakdown. So it might be the case that a much	1.4:1

	Variable	Baseline judgement	New Assumption	SROI Ratio
		Deadweight for outcome 5.1: Savings on alternative out-of-home care placements is based on academic research and assumes that 51% of children would have stayed with their kinship carers	higher Deadweight should be applied (in a scenario where Mirabel did not have much impact on the children and kinship carer). Revised deadweight assumption is 80%.	
3	Attribution: Outcomes for children	Attribution to others for children (aged 0-7): - intensive support 80% - general support 90% Attribution to others for children (aged 8-17): - intensive support 60% - general support 90%	Assume attribution to others for children (0-7) - intensive support 60% - general support 90% Assume attribution to others for children (8-17) - intensive support 40% - general support 90%	8.0:1
			Assume attribution to others for children (0-7) - intensive support 90% - general support 95% Assume attribution to others for children (8-17) - intensive support 80% - general support 95%	5.0:1
4	Stakeholder groups that experience material outcomes	Analysis has identified 5 stakeholder groups who experience material benefit	Only children and their carers experience material benefits	4.0:1
			Only Government experience material benefits	2.6:1
5	Investment	Include both monetary and in-kind investment	Only financial investment is included	7.3:1
6	Duration	Most of the outcomes last for the period of investment plus - 1 year for children who are continuing with Mirabel - 7 years for children who have exited Mirabel	All outcomes only last for the period of investment (except for future looking outcomes for the Government 5.2 and 5.3)	6.0:1

Table 4.11 – Sensitivity analysis on identified variables

As with any financial modelling, it is expected that any changes in the variables would result in changes to the SROI ratio. This sensitivity analysis is a useful indicator of which variable/s have the most significant impact on the ratio.

For the majority of scenarios tested the SROI ration remains above 1:1, indicating that social value is created is likely to be greater than the investment. However, in the future, it will be important to collect data related to the most sensitive variables to ensure that these assumptions are robust.

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5 Conclusion

This section summarises the finding of the SROI analysis and draws out the insights.

5.1 Summary of value created

This project compared the costs and benefits of Mirabel's Victorian operations over an eight year period (FY08 to FY15; July 2007 to June 2015). Stakeholder consultation was a key component of the analysis in order to identify and understand the changes that have been created for the kinship families (children and their carers) and other stakeholders. The SROI analysis then measured and valued the outcomes experienced by stakeholders.

Mirabel's Victorian operations had a tangible impact on the lives of children and their kinship carers who had to confront the challenges of abandonment, financial insecurity and social isolation. This had a flow on effect on Mirabel's volunteers and the Government (State and the Commonwealth). By being able to offer tailored services to meet the needs of each individual kinship family, Mirabel has been a valuable resource and support to each family that reached out to them for help. Out of all children Mirabel worked with over the last eight years, it is estimated that 45% have experienced significant life changing outcomes.

The total value created by Mirabel in Victoria is the unique value it created for the stakeholders attributable to the investment between July 2007 and June 2015. The following table is a summary of the value created for each stakeholder group.

Outcomes	Total value for outcome ($'000)	Value per stakeholder group ($'000)
Children (aged 0-7)		
1.1 Increased engagement in school	$1,241	$6,652 (6%)
1.2 Improved mental health and wellbeing	$1,703	
1.3 Increased ability to form healthy relationships	$1,854	
1.4 Increased sense of belonging	$1,854	
Children (aged 8-17)		
2.1 Increased engagement in school	$9,642	$48,372 (44%)
2.2 Improved mental health and wellbeing	$7,232	
2.3 Increased ability to form healthy relationships	$7,875	
2.4 Increased sense of belonging	$7,875	
2.5 Increased self-worth	$7,875	
2.6 Feel hopeful about the future	$7,875	
Kinship carers		
3.1 Increased confidence and ability to cope	$5,853	$11,275 (10%)
3.2 Sustain ongoing relationship with child / children who need care	$5,423	
Volunteers		
4.1 Increased sense of purpose	$361	$1,475 (1%)
4.2 Socially connected and engaged community members	$1,114	

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Government		
5.1 Saving on alternative out-of-home care placements	$34,564	$42,663 (39%)
5.2 Reduction in costs to society associated with illicit drug use	$4,757	
5.3 Reduction in costs associated with transitioning from out-of-home care for young people	$3,342	
TOTAL (before discounting)		**$110,438**
TOTAL (after discount rate of 3.8%)		**$98,454**

Table 5.1 - Value created for each stakeholder group (before and after discounting)

The application of the SROI methodology was able to illustrate the social and economic benefits that are being created by Mirabel in Victoria. The analysis shows that the present value of the investment in Mirabel for FY08-FY15 was $14.8 million, of which 8% was in the form of an in-kind goods and services. The present value of benefits generated by Mirabel in Victoria over this period was $98.5 million. Accordingly, the SROI ratio is calculated to be 6.6:1, which means that for every $1 invested in Mirabel in Victoria between FY08 and FY15, $6.60 is returned in social and economic value.

Table 5.2 below provides a summary of value created, total investment and resulting SROI ratio.

SROI Summary (FY08-FY15)	
Total Present Value	$98.5 mil
Total Investment	$14.8 mil
Social Return on Investment (SROI) ratio	**6.6:1**

** Value calculated after discount rate of 3.8% (average RBA cash rate FY08-FY15)*
Table 5.2 – SROI summary

The broader impact of Mirabel's activities to support kinship carers to be able to provide ongoing care to the children and to break the cycle of addiction is significant and profound. There are significant immediate and future benefits to the Government in the form of resources that can reallocated as a result of savings from alternative out-of-home care placements, reduction in illicit drug use and transitioning of young people from out-of-home care. Our conservative estimates suggest that this is worth $43 million which is ten times more than the investment made by the Government into Mirabel. Our estimates do not include potential savings for the health system or other long-term costs to society associated with poor outcomes many children experience in out-of-home care.

5.2 Insights

Mirabel Foundation has developed a distinctive model of support which effectively addresses the unique needs of the children who have been orphaned or abandoned due to parent drug use and are now living in kinship care with extended family.

The analysis has demonstrated that Mirabel in Victoria has been a significant contributor to creating healthier and happier kinship families, helping children growing up in kinship care to realise their potential and contributing towards breaking of the destructive cycle of drug addiction. The critical elements which contributed to Mirabel's success in Victoria are described below.

Mirabel is guided by a single vision and purpose

Drug addiction is a significant and growing problem in today's society with 13% of children being brought up in families where drugs are misused. These children would not otherwise get a chance to experience the childhood that they deserve. Children of parents who abused drugs are also 45 to 79% more likely to turn to drugs themselves, perpetuating a cycle of addiction and misery.

By working directly with the children who have been orphaned or abandoned due to parental drug use and their kinship carers, it appears that Mirabel has identified and filled the gap within the system which previously was not occupied by any other organisation or addressed by the Government. By focusing on the unique needs of these families, Mirabel has been able to tailor their programs to provide a holistic, relevant and inclusive service. And its logic of change is ingenuously simple – bring normality into each child's life to give them the best possible start in life.

For further consideration:

Given the success of Mirabel's model with children who have been orphaned or abandoned due to parental drug use and living in kinship care, the model could be extended to support children in other forms of out-of-home care or facing other challenging circumstances.

Long-term support delivered with heart and a high degree of skill

Since July 2007, Mirabel has touched the lives of approximately 800 kinship families and 1,400 children in Victoria. During that time not a single child was turned away. This speaks volumes for the commitment and dedication Mirabel's team of 25 staff has to these children and their kinship carers. Our research found that both carers and children credited the success of Mirabel to its ability to attract and retain high calibre staff. All staff bring an equal measure of professionalism, knowledge, skill and empathy to every interaction they have with the children and their kinship carers. Many have been with Mirabel for a long time which provides families with continuity and stability. This facilitates trust and confidence in the service Mirabel offers. This is one the main points of difference that Mirabel has over traditional service providers where staff turnover is generally high.

The second point of difference of Mirabel is that once a kinship family reaches out to them they become part of the Mirabel family until the last child in their care turns 18. Each family is offered tailored support throughout their engagement with Mirabel. This could be as small as sending a birthday gift to the children just to remind them that there is someone else out there that thinks and cares for them; supporting the kinship carer through a messy court process by providing both practical and emotional support; or working intensively with a child or young person who might be going through challenging times.

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For further consideration:

As demand grows for Mirabel's services, Mirabel needs to be able to continue to meet this demand and maintain its unique culture and approach. Mirabel could consider codifying its approach to scale its impact through partnering with other organisations.

Carefully targeted and managed funding that delivers significant value

Although, this study has not been an assessment of a cost effectiveness of Mirabel's operations against other types of interventions, an SROI ratio of 6.6:1 suggests that Mirabel is able to extract a lot of value from each dollar it spends.

With an annual expenditure of under $2 million, it has cost on average ~$2,700 per child or $4,300 per kinship family to deliver its services per annum.

For further consideration:

There has been consistent growth in Mirabel's activities over the last eight years but the cash investment has not maintained the same pace. For example, in FY08 Mirabel was investing $2,370 for each child compared to $1,960 in FY15. In some of the interviews, carers mentioned that it was sometimes hard for them to join the activities they want as there are other children (usually those that have not been given a similar opportunity yet) that have to be considered first. A better understanding of the investment required to support each child may support fundraising efforts or decisions about program design and delivery.

Utilising community support for the delivery of the Mirabel model

Volunteers are an essential part of Mirabel's model. They serve a dual purpose: allowing for a more cost efficient delivery of Mirabel's activities, particularly for its recreational programs, and being informal mentors and role models to the children.

The second component is particularly important, as it not only helps reinforce to children that there are many people out there that care very much for their happiness and welling, but also provides access to a more diverse social and support network. Children in 'normal' families would take this for granted but for these children it could be the only other contact they have with people outside their family or school.

Diverse and loyal supporter base

Mirabel has over 60 major donors and over 200 other supporters (organisations and individuals). This network provides both the essential financial and in-kind support to Mirabel.

An additional strength of Mirabel's supporter network is that it spreads the financial risk. It is a situation that many organisations in the community sector are striving to achieve, particularly because of the unpredictability of Government funding.

For further consideration:

Mirabel is still exposed to the risk of not being able to fund its activities and has to spend significant time maintaining its many funding relationships. In the long-term a more fundamental shift in how Mirabel is funded may be required.

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Appendix

1. Social Value principles

The SROI methodology was first developed in the 1990s in the USA by the Roberts Enterprise Development Fund, with a focus on measuring and evaluating organisations that provided employment opportunities to previously long-term unemployed. During the early to mid-2000s, the United Kingdom (UK) Office of the Third Sector provided funding to continue the development and application of the SROI methodology, resulting in the formation of the UK SROI Network.

The Social Value principles (previously known as SROI principles) that guide SROI analyses were developed through the UK SROI Network. These principles, described in Table A1.1, form the basis of an SROI.

Principle		Definition
1	Involve stakeholders	Stakeholders should inform what gets measured and how this is measured and valued.
2	Understand what changes	Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes as well as those that are intended and unintended.
3	Value the things that matter	Use financial proxies in order that the value of the outcomes can be recognised.
4	Only include what is material	Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.
5	Do not over claim	Organisations should only claim the value that they are responsible for creating.
6	Be transparent	Demonstrate the basis on which the analysis may be considered accurate and honest and show that it will be reported to and discussed with stakeholders.
7	Verify the results	Ensure appropriate independent verification of the analysis.

Table A1.1 - SROI Principles

2. Stakeholder inclusion and exclusion rationale

The table below identifies the stakeholders and the rationale for including or excluding them from the SROI analysis.

Stakeholder Group	Included / Excluded	Rationale for Inclusion / Exclusion
Children (aged 0-7)	Included	• Children (aged 0-7) are the primary beneficiaries of the services.
Children (aged 8-17)	Included	• Children (aged 8-17) are the primary beneficiaries of the services.
Kinship carers	Included	• Kinship carers are the primary beneficiaries of the services.
Volunteers	Included	• Volunteers provide essential input into the operation of Mirabel's activities and these are included as part of in-kind inputs. • In addition, long-term volunteers have experienced material benefits as a result of Mirabel that went beyond just feeling good. These were captured in the value of Mirabel's services.
Government	Included	• Government is a funder, and also extract significant value from Mirabel activities.
Funders (corporate and individual)	Included	• Provide essential resources (both monetary and in-kind) towards Mirabel's operations in Victoria
Mirabel employees	Excluded	• Mirabel employees are a necessary input for the delivery of the activities; however, they did not experience change themselves outside of their usual responsibilities
Referral agencies	Excluded	• Mirabel works with a range of community and government agencies and departments that refer children and families to Mirabel. No unique value was associated with this as if Mirabel did not exist, they would have likely referred these families elsewhere or discontinue support to the family. The benefit is captured through the outcomes for the children and family; agencies do not themselves benefit from the availability of Mirabel's service.

Table A2.1 –Stakeholder groups included or excluded from the SROI analysis

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3. Interview guides

The following is an interview guide used to guide conversations with carers.

Introduction

Explanation of the project and what will be involved in participating (see info sheet).
This conversation will remain private and confidential.
State that they can stop the interview at any point.

I. History with Mirabel

1. Tell me a little about yourself and when you got involved with the Mirabel Foundation
2. Why did you engage with Mirabel Foundation? What do /did you hope/d to get out of your engagement?
3. What Mirabel activities have you been part of?

II. Consequences / Impact

4. What were some of the immediate consequences, both good and bad, of being engaged with Mirabel?
    a. For you
    b. For the child / children in your care
5. Thinking more broadly, what were some of the most important changes that happened in your life as a result of your engagement with Mirabel?
    a. For you
    b. For the child / children in your care
6. If there anything that you or the child / children in your care do not like about the support you receive?
7. What do you these changes mean for the future?
    a. For you
    b. For the child / children in your care
8. What sort of support do you and / or the child / children in your care receive through Mirabel that you did not have access to before?
9. How would your lives be different if Mirabel did not exist?
10. Are you using other government or community services more or less since you started getting support from Mirabel Foundation?
11. Is the Mirabel Foundation the only organisation that contributed to the changes in your life that you described earlier?
12. How long do you think the changes that happened or are happening will last for? Why?
    a. For you
    b. For the child / children in your care

III. Closing interview

13. Is there anything else that I haven't asked about Mirabel that you want to share?

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4. Stakeholder Logics

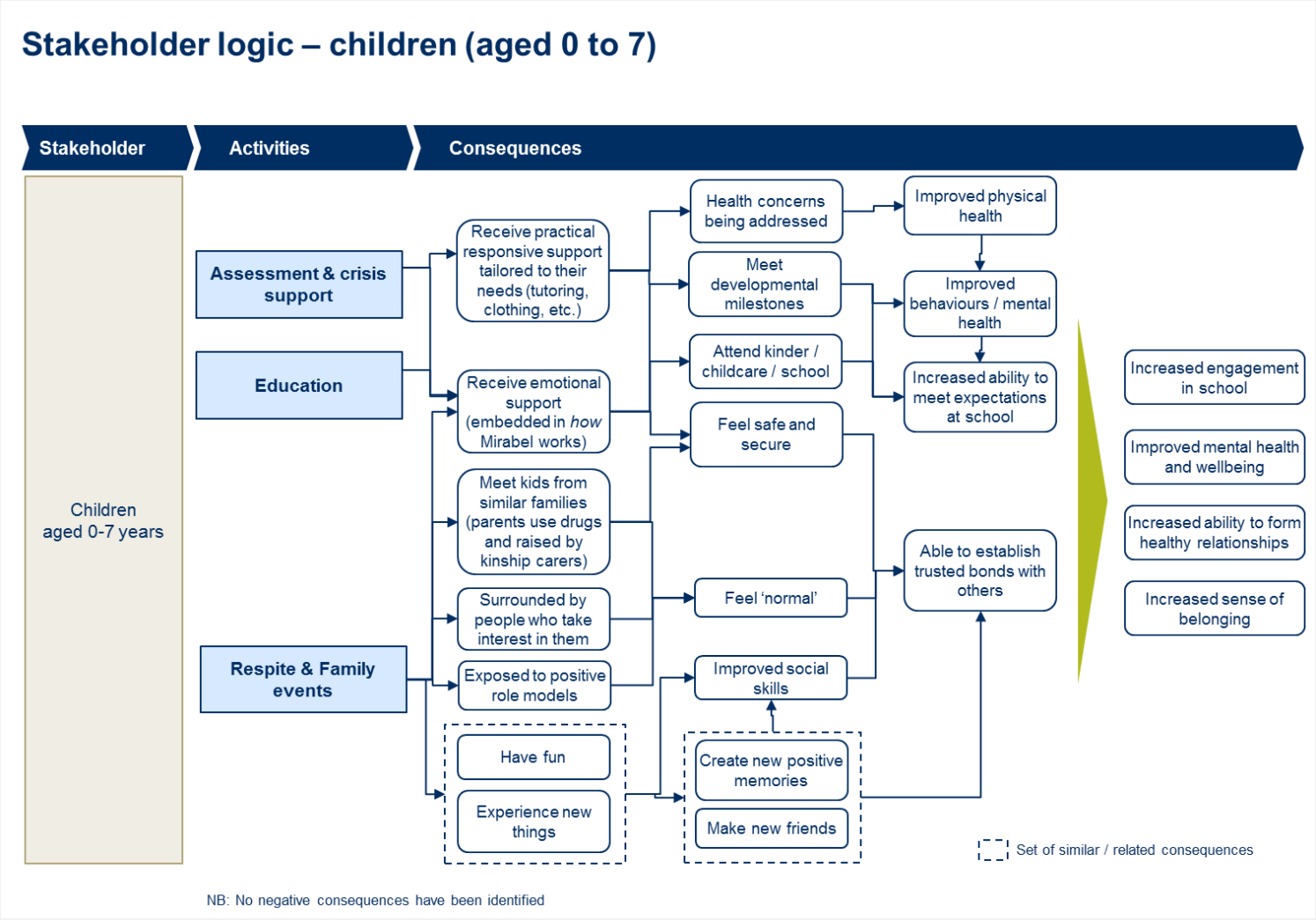

Figure A4.1 – Stakeholder logic – Children (0-7)

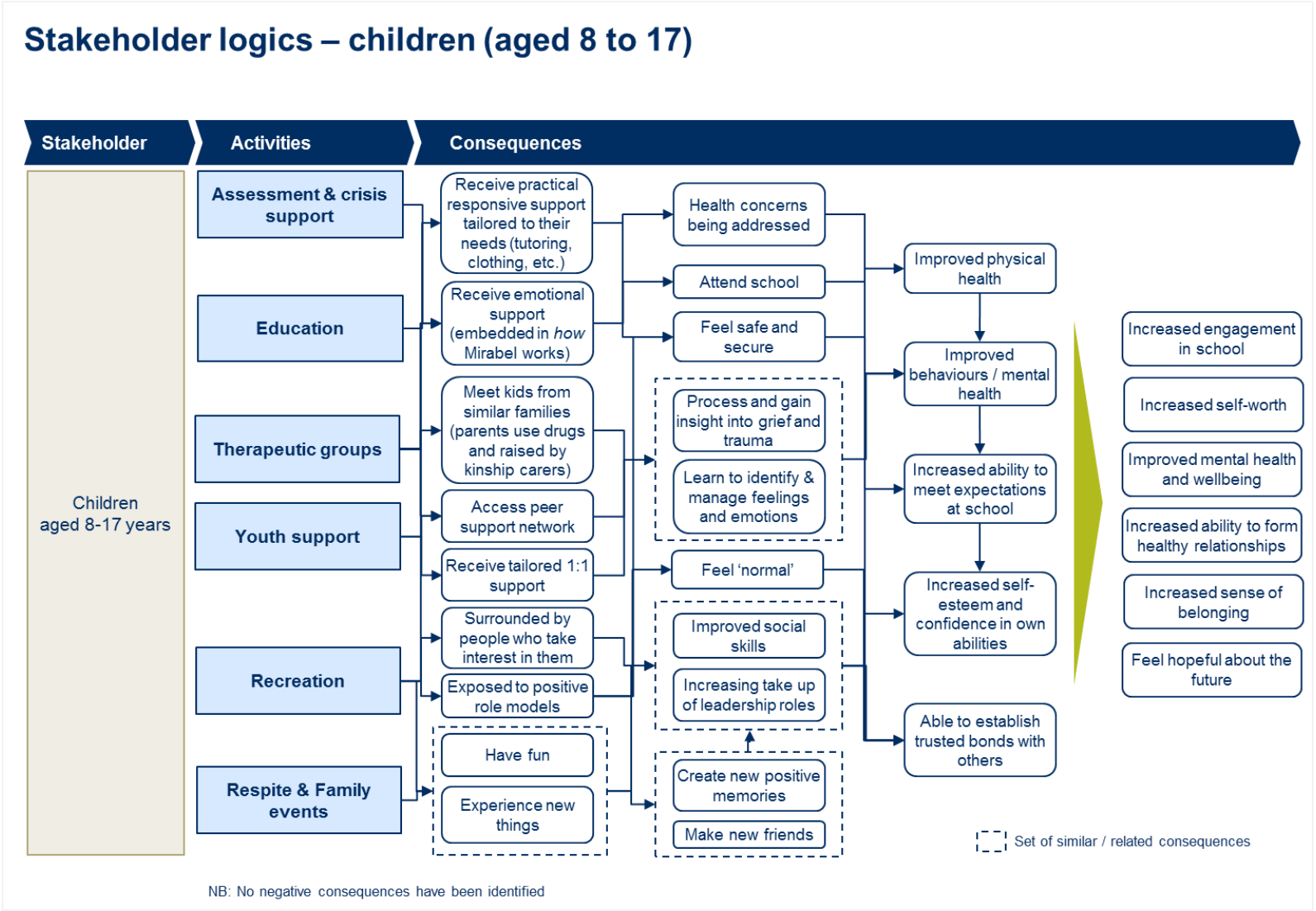

Figure A4.2 – Stakeholder logic – Children (8-17)

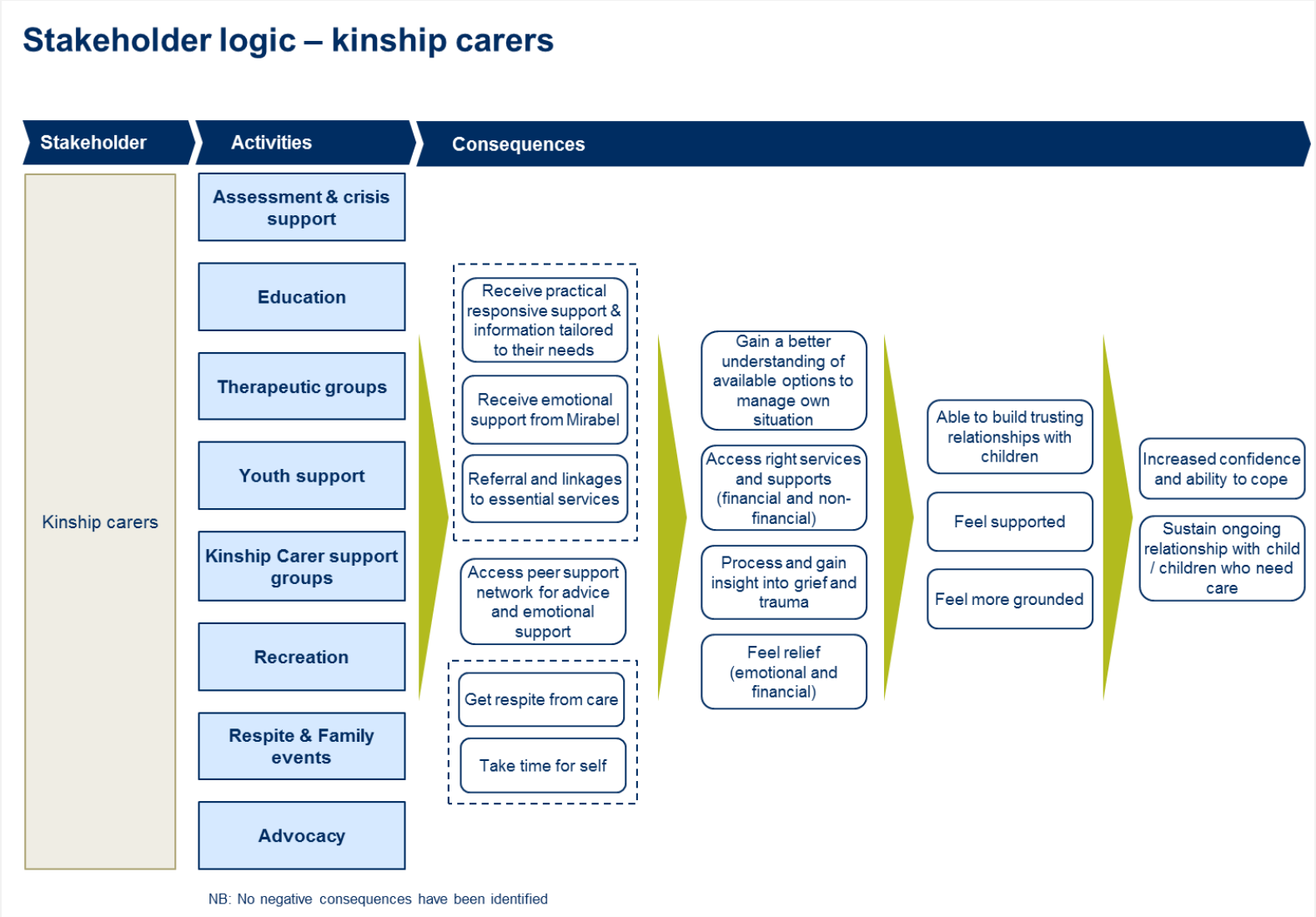

Figure A4.3 – Stakeholder logic – Kinship carers

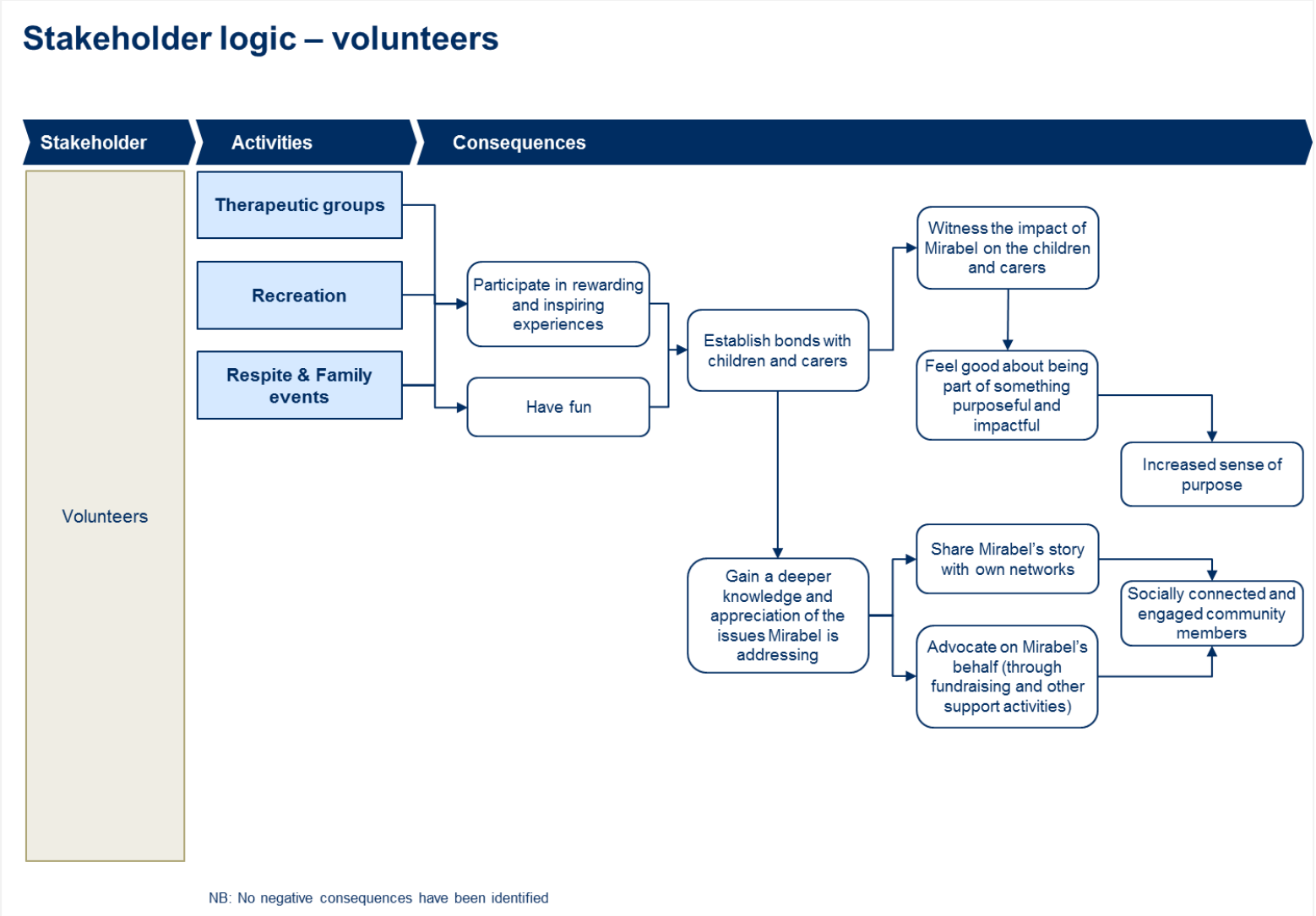

Figure A4.4 – Stakeholder logic – Volunteers

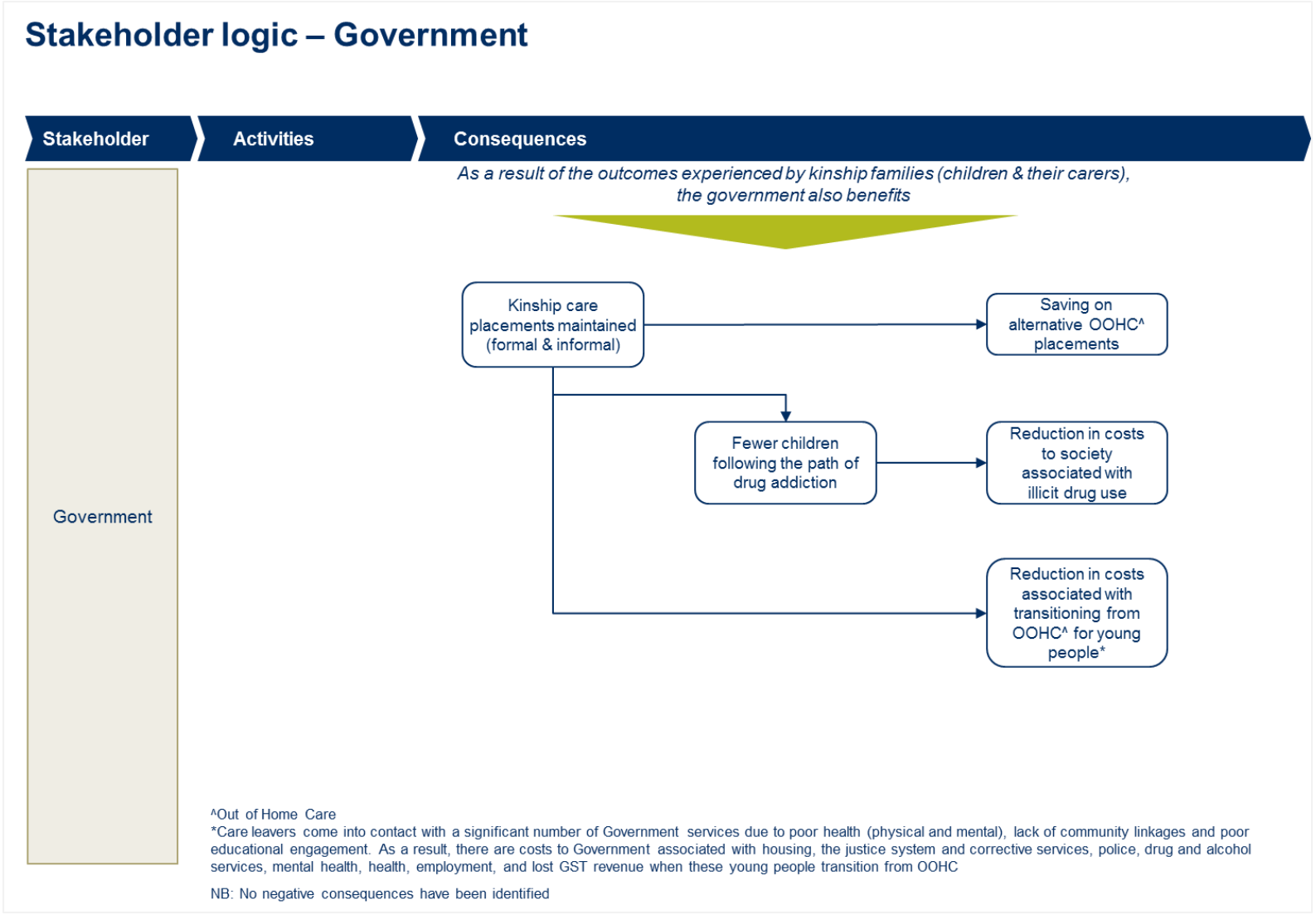

Figure A4.5 – Stakeholder logic – Government

5. Valuation techniques

Financial proxies are used to value an outcome where there is no market value. The use of proxies in this SROI forms a critical component of the valuation exercise as most of the outcomes identified have no market values.

There are a number of techniques used to identify financial proxies and value outcomes. Importantly, within an SROI, the proxy reflects the value that the stakeholder experiencing the change places on the outcome. This could be obtained directly through stakeholder consultation, or indirectly through research.

Techniques for valuing outcomes are included in the table below.

Technique	Description and examples
Cash transaction	An actual cash saving or cash spent by the stakeholder group. For example: • A reduction in welfare payments is a direct cash benefit to the Government
Value of resource reallocation	A program or service results in outcomes that allow resources to be used in different ways. For example: • A reduction in crime may not result in less cost to the justice system because there is not a change in the overall costs of managing the justice system (so it is not a "cash transaction"). However, a value can be placed on the amount of resources that can be reallocated for other purposes
Revealed preferences	This is when a financial proxy is inferred from the value of related market prices. This can be achieved in the following ways: • Is there something in a stakeholder's group behaviour that will reveal the value of an outcome? For example, we may observe that stakeholders with less depression are now socialising more and going out for dinner with friends. The financial proxy is therefore the value of the dinners • Through stakeholder consultation, is there a similar service or program that would achieve the same amount of change? This is often referred to as a "replacement valuation"
Stated preferences	This is when stakeholders are explicitly asked how much they value an outcome. This can be done in a number of ways: • Stakeholders are asked their "willingness-to-pay" or willingness-to-avoid" to achieve the outcome These are hypothetical cash transactions. • Stakeholders are asked to make a choice based on a series of options presented to them through "participatory impact" exercises. This can also be referred to as "choice modelling".

Table A5.1 – Valuation techniques description

6. SROI filter assumptions

A Social Value principle that is applied in an SROI is "do not over claim". At SVA, we refer to these as "SROI Filters". The SROI filters include deadweight, displacement, attribution, duration and drop-off. This appendix describes the SROI filters and how they are accounted for in the baseline SROI analysis.

1. Deadweight – Deadweight is an estimation of the value that would have been created if the activities from the program did not happen. An outline of the deadweight categories adopted for this analysis is included in Table A6.1.

Category	Assigned deadweight (%)
1. The outcome would not have occurred without the activity	0%
2. The outcome would have occurred but only to a limited extent	25%
3. The outcome would have occurred in part anyway	50%
4. The outcome would have occurred mostly anyway	75%
5. The outcome occurred anyway	100%

Table A6.1 – Deadweight description

2. Displacement – Displacement is an assessment of how much of the activity displaced other outcomes. An outline of the displacement categories adopted for this analysis is included in Table A6.2.

Category	Assigned displacement (%)
1. The outcome did not displace another outcome	0%
2. The outcome displaced another outcome to a limited extent	25%
3. The outcome partially displaced another outcome	50%
4. The outcome displaced another outcome to a significant extent	75%
5. The outcome completely displaced another outcome	100%

Table A6.2 – Displacement description

3. Attribution – Attribution reflects the fact that the investment and core program activity is not wholly responsible for all of the value created. An outline of the attribution categories adopted for this analysis is included in Table A6.3.

Category	Assigned attribution to others (%)
1. The outcome is completely a result of the activity and no other programs or organisations contributed	0%
2. Other organisations and people have some minor role to play in generating the outcome	25%
3. Other organisations and people have a role to play in generating the outcome to some extent	50%
4. Other organisations and people have a significant role to play in generating the outcome	75%

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Category	Assigned attribution to others (%)
5. The outcome is completely a result of other people or organisations	100%

TableA6.3 – Attribution description

4. Duration and Drop-off – Duration refers to how long an outcome lasts for. Drop-off recognises that outcomes may continue to last for many years but in the future may be less, or if the same, will be influenced by other factors. The drop-off rate indicates by what percentage the value of the outcome declines each year. An outline of the drop-off categories adopted for this analysis is included in Table A6.4.

Category	Assigned drop-off (%)
1. The outcome lasts for the whole period of time assigned to it	0%
2. The outcome drops off by 25% per year from year 2 on	25%
3. The outcome drops off by 50% per year from year 2 on	50%
4. The outcome drops off by 75% per year from year 2 on	75%
5. The outcome drops off completely by the end of the time period	100%

Table A6.4 – Drop-off description

7. Financial proxies

Outlined below are the rationale and the calculations for the financial proxies for the outcomes experienced by children, kinship carers, volunteers and Government.

Outcomes	Financial proxy (per annum)	Financial proxy rationale	Financial proxy calculation	Financial proxy source
Children (aged 0-7)				
1.1 Increased engagement in school 1.2 Improved mental health and wellbeing 1.3 Increased ability to form healthy relationships 1.4 Increased sense of belonging	**$30,333** Value of statistical life - proportion attributed to the outcome (1/6th of the total value)	Revealed preferences: Capture the average value people and society are willing to pay to have a good healthy life or to prolong a life. Mirabel provides a holistic support and transforms the lives of these children to help them live healthy lives	• Value of statistical life is $182,000 per annum which captures the full value of the holistic changes experienced by children per annum, which is represented by 6 outcomes identified in the program logic • Each outcome is therefore valued at $30,333 (=$182,000/6)	Department of Prime Minister and Cabinet[23]
Children (aged 8-17)				
2.1 Increased engagement in school 2.2 Improved mental health and wellbeing 2.3 Increased ability to form healthy relationships 2.4 Increased sense of belonging 2.5 Increased self-worth 2.6 Feel hopeful about the future	**$30,333** Value of statistical life - proportion attributed to the outcome (1/6th of the total value)	Revealed preferences: Capture the average value people and society are willing to pay to have a good healthy life or to prolong a life. Mirabel provides a holistic support and transforms the lives of these children to help them live healthy lives	• Value of statistical life is $182,000 which captures the full value of the holistic changes experienced by children per annum, which is represented by 6 outcomes identified in the program logic • Each outcome is therefore valued at $30,333 (=$182,000/6)	Department of Prime Minister and Cabinet[24]

[23] DPMC (December 2014). Best Practice Regulation Guidance Note: Value of statistical life. Accessed at http://www.dpmc.gov.au/office-best-practice-regulation/publication/best-practice-regulation-guidance-note-value-statistical-life

[24] Ibid.

Outcomes	Financial proxy (per annum)	Financial proxy rationale	Financial proxy calculation	Financial proxy source
Kinship carers				
3.1 Increased confidence and ability to cope	**$6,724** Cost of counselling plus the value of respite time	Revealed preferences: Mirabel provides both emotional support as well as opportunities for respite to the kinship carers	• Medicare schedule fee for an individual session with a non-clinical psychologist (50+ minutes) is $99.75 multiplied by 52 (which assumes weekly interactions) equals to $5,187 • It is estimated that Mirabel provided on average 1,100 respite days to the kinship families (=220 respite day opportunities multiplies by 5 kinship carers at each opportunity) • On average 229 kinship carers access these respite opportunities per annum (based on Mirabel's data), therefore on average kinship carers get 5 respite days each as a result of Mirabel • To calculate the value of a respite day, an average rate for a baby sitter per hour ($20/hour) was multiplied by number of hours of care /respite per day (16 hours) which equals to $320 per day • $320 multiplied by 5 days of respite is $1,537 of value provided to carers through the provision of respite • $5,187 + $1,537 equals $6,724 which represents the value of the full outcome	Medicare MBS Online[25] Mirabel's internal data

[25] Australian Government, Medicare MBS Online, http://www.health.gov.au/internet/mbsonline/publishing.nsf/Content/Medicare-Benefits-Schedule-MBS-1

Outcomes	Financial proxy (per annum)	Financial proxy rationale	Financial proxy calculation	Financial proxy source
3.2 Sustain ongoing relationship with child / children who need care	**$12,713** Average cost of raising a child (low income family)	Revealed preferences: Amount kinship carers are willing to pay to ensure they are able to continue to care for the child	• Estimated average costs of a single child per week, by age of child and family with low income is $151 (or $7,829 per annum) based on the AMP's research • On average Mirabel's kinship carers look after 1.62 children • The annual cost of caring is therefore equal to $7,829 multiplied by 1.62 which gives $12,713	AMP[26]
Volunteers				
4.1 Increased sense of purpose	**$1,800** Cost of a life coach	Revealed preferences: Alternative approach to how a person might try to find increase purpose in life through work with a life coach	• Average hourly rate for a life coach is $300 based on a survey conducted by ICF Australia • Assuming 6 sessions are required to achieve the outcome, the annual cost of a life coach is $1,800 (=$300*6)	ICF Australia[27]
4.2 Socially connected and engaged community members	**$5,556** Payment for leadership role (statutory authority board member annual fee)	Revealed preferences: A payment that recognises a contribution made to the broader community	• Statutory authority board member fee per day is $232. • On average volunteers spend 2 days per month supporting Mirabel, which will give an annual fee of $5,556 (=$232*24)	DPC, Victoria[28] Mirabel's internal data
Government				

[26] AMP, "Cost of Kids: The Cost of raising kids in Australia", May 2013

[27] ICF Australia. Accessed at https://www.choice.com.au/shopping/shopping-for-services/services/articles/life-coaching

[28] DPC, Victoria. Accessed at http://www.dpc.vic.gov.au/images/documents/dpc_resources/legal/2015/Appointment_and_Remuneration_Guidelines_-_Effective_from_1_July_2015.pdf

Outcomes	Financial proxy (per annum)	Financial proxy rationale	Financial proxy calculation	Financial proxy source
5.1 Saving on alternative out-of-home care placements	**$320,728** Savings to government associated with reduction in number of children in residential care	Resource reallocation: Costs avoided by Government as a result of kinship care placement maintenance	• Real expenditure per child - Residential Out-of-home-care services (Victoria) = $352,825 • Real expenditure per child - Non-Residential Out-of-home-care services (Victoria) = $32,097 • The difference between the two ($320,728) is the savings to government associated with reduction in number of children in residential care	Productivity Commission[29]
	$32,097 Savings to government associated with reduction in number of children in foster care	Resource reallocation: Costs avoided by Government as a result of kinship care placement maintenance	• Savings to government associated with reduction in number of children in foster care is equal to real expenditure per child - Non-Residential Out-of-home-care services (Victoria) = $32,097, as these are the children that avoid being placed into foster care	Productivity Commission[30]
	$4,365 Saving associated with lower costs of support (case management) for informal kinship carers	Resource reallocation: Costs avoided by Government as a result of kinship care placement maintenance	• Foster care case managers - annual salary is $54,557 base rate (Fair Work Ombudsman) plus 20% on-costs =$65,469 • Assuming case load of 15 children per Forster care manager, the costs associated with supporting foster carers is equal to $4,365 (=$65,469/15)	Fair Work Ombudsman NSW Department of Community Services[31]

[29] Productivity Commission, Report on Government services 2015, Child Protection (Chapter 15).

[30] Ibid.

[31] NSW Department of Community Services (2007). Caseload in child and family services, Technical Report 2, November 2007. Accessed at http://www.community.nsw.gov.au/docswr/_assets/main/documents/caseloads_report.pdf

Outcomes	Financial proxy (per annum)	Financial proxy rationale	Financial proxy calculation	Financial proxy source
5.2 Reduction in costs to society associated with illicit drug use	**$18,908** Annual costs of drug abuse to Government	Resource reallocation: Avoidable costs associated with illicit drug use including human costs, economic costs and justice costs	• Costs of illicit drug abuse to Australia society = $8.2 bn • 15% of people have used illicit drugs in the last 12 months and out of these 12.5% were heavy / problematic users • Therefore, number of people who have used illicit drugs in the last 12 months is 3.5 mil (assuming Australian population is 23.13 mil) and 433.7k heavy users • This gives us a cost of illicit drug use per heavy user of $18,908 (=$8.2bn/433.7k ppl)	Collins and Lapsley (2008); Counting the costs of crime in Australia: A 2011 estimate National Drug Strategy Household Survey (NDSHS) (AIHW)
5.3 Reduction in costs associated with transitioning from out-of-home care for young people	**$40,000** Annual cost to Government of supporting care leaver	Resource reallocation: Avoidable costs associated with transitioning from out of home care are mitigated when children receive the right support whilst in care	Lifetime cost of supporting OOHC leaver to Government is $1.76 mil and the average cost is $40k per person per annum	Morgan Disney and Associates[32]

[32] Morgan Disney & Associates Pty Ltd (2006). Accessed at https://www.dss.gov.au/our-responsibilities/families-and-children/publications-articles/transitioning-to-independence-from-out-of-home-care-discussion-paper?HTML

End of report