

Glossary of terms

Term	Definition
Activities	The actions and processes of an initiative that transforms inputs into outputs.
Additionality	In outcome evaluation, this is the quantified and qualitative outcomes that result from an initiative over and above what might be expected to have happened in the absence of the initiative. Consideration of the counterfactual is essential to determine true additionality.
Appropriateness	In evaluation, appropriateness may relate to the extent to which an initiative addresses an identified need, aligns with government priorities, or is suitable for a community or context (including cultural appropriateness and ethical considerations).
Assumptions	In a theory of change and logic model (and when designing an initiative) assumptions are the concepts (logic, theory, or evidence) that support the belief that outputs will lead to identified outcomes and that benefits will be realised, including assumptions related to both causal links and the contexts in which they operate. In ex-ante CBA, assumptions include the relationship between action and change (how outputs lead to outcomes), the expected volume of change (extent of outcomes), and the value of benefits (including the present and future value of costs and benefits).
Attribution	The extent to which a change is caused by, or attributable to, an initiative (relative to other external factors/causes).
Base Year of Analysis	The year in which the Net Present Value of the initiative is assessed (may be the year the initiative commenced, or the year in which the analysis is undertaken).
Baseline Data	Data collected before an intervention for the purposes of measuring change over time.
Baseline Measure	A measure of the conditions before an initiative's implementation, that provides a basis for monitoring and evaluating change in key indicators.
Benefit	An increase in welfare associated with an initiative's outcomes (including economic, social, environmental or cultural outcomes) Benefits need to be first understood as changes in conditions, i.e., outcomes from an initiative. In CBA, benefits are a measure of the value of the outcomes of an initiative to the NSW community – they may be monetary or non-monetary (methods exist to monetise non-market benefits). Benefits in an evaluation may be quantified and monetised or described qualitatively.
Benefit-Cost Ratio (BCR)	The ratio of the present value of benefits to the present value of costs.
Benefit Plan	A key component of the Benefits Realisation Framework. It identifies the overall benefits and the activities required for their identification, planning, monitoring, and reporting and evaluation.
Benefit Realisation Management (BRM)	A process of identifying, organising, managing and measuring benefits so that intended benefits are achieved. It is a continuous process running through the whole life of the initiative. See Benefits Realisation Management Framework .
Benefits Register	A register encompassing all quantitative and qualitative benefits. It is a key component of BRM and can also be called a Benefit Tracking Tool.

Term	Definition
Capital initiative	An initiative primarily comprised of one or more of the following elements: <ul style="list-style-type: none"> • Infrastructure • Equipment • Property developments • Operational technology that forms a component of a capital project
Causality	Where two variables change in relation to one another (as in correlation), but also where a change in one variable causes the change in the other.
Comparator	An estimated scenario to compare the initiative or other options to. In economic evaluation the term may be used when assessing the initiative's "additionality", i.e., the extra amount of costs and outcomes or benefits of the initiative relative to the comparator. It may be used when referring to the base case or the 'without' scenario (see counterfactual).
Comparison group	A group of participants in the study, randomly selected from a sample, who are not exposed to the initiative being evaluated. This term is used when undertaking a quasi-experimental evaluation design.
Control group	A group of participants in the study, selected from a sample using techniques other than randomisation, who are not exposed to the initiative being evaluated. This term is used when undertaking an experimental evaluation design.
Correlation	Measures the degree to which two variables change in relation to the other, without implying that the change in one variable is the cause of the change of the other. Two variables are classified as correlated if both increase and decrease together (positively correlated) or if one increases and the other decreases (negatively correlated).
Cost Benefit Analysis (CBA)	A holistic appraisal method that estimates the economic, social, environmental, and cultural costs and benefits of an initiative and expresses them in monetary terms. CBA aims to measure the full impacts of any government decision or action on the households, businesses, governments, non-government organisations and natural assets in a specified community, known as the referent group. See TPG23-08 NSW Guide to Cost-Benefit Analysis .
Cost Benefit Analysis (CBA) Ex-ante	A CBA appraisal undertaken prior to the implementation of an initiative, to compare options and to assess the net social benefits of a proposed initiative.
Cost Benefit Analysis (CBA) Ex-post	A CBA evaluation that is undertaken when an initiative is underway (interim or 'in media res' ex-post CBA) or completed (final ex-post CBA) to assess the net social benefits of an implemented initiative.
Cost Consequence Analysis	A form of economic evaluation where the costs of an initiative are measured and presented alongside multiple outcomes attributed to the initiative. Where accepted in a discipline (for example, in health economics) CCA can contribute to developing evaluation findings. CCA is not a preferred method of economic evaluation in this TPG because it does not produce a singular cost-to-impact ratio (e.g., a cost-effectiveness ratio or a benefit-cost ratio). CCA can provide a foundation for a CBA by capturing a range of outcomes that can be quantified and valued in monetary terms as benefits or described qualitatively.
Cost Efficiency Analysis	A form of economic evaluation that estimates costs in monetary terms against a single unit of an output (e.g., good or service delivered).
Cost Effectiveness Analysis (CEA)	A form of economic evaluation that estimates costs in monetary terms against a single unit of an outcome.
Cost Utility Analysis (CUA)	A form of economic evaluation that estimates costs in monetary terms against specific outcomes which are expressed as standard, non-monetary unit, such as Quality-Adjusted Life Years (QALYs) or Disability Adjusted Life Years (DALYs). Unlike a robust cost-benefit analysis, a CUA may not capture the full range of benefits and costs of an initiative.

Term	Definition
Costs	Costs are the resources used to implement and deliver the initiative. Costs include the direct and indirect costs (monetary and non-monetary) of an initiative.
Counterfactual	The 'without' scenario or base case, is what would be expected to happen had the initiative not been implemented – usually being the next most likely scenario to have happened – such as a 'business as usual'/'no policy change' scenario, 'spend nothing', 'do minimum' or 'next most likely' option to have been implemented. In an experimental or quasi-experimental evaluation, this may be represented by a control of comparison group.
Cultural appropriateness	The extent to which evaluation activities recognise, respect and are responsive to the culture and values of the participants and communities in which the initiative operates.
Data	A set of values of qualitative or quantitative variables about one or more persons or objects.
Direct impacts	The effects (positive or negative), including to producers, labour, consumers, and government of producing or consuming the goods or services associated with an initiative.
Disbenefit	A decline in welfare resulting from an outcome, perceived as a negative by one or more stakeholders.
Discount rate	The rate used to convert historical or future streams of costs and benefits into the base year of analysis dollar value.
Economic Evaluation	An evaluation that measures value for money of an initiative. It identifies and measures an initiative's costs relative to its impacts. CBA is NSW Treasury's preferred method of economic evaluation as it supports assessing the net impacts of an initiative on social welfare (relative to a situation without the proposed action), and comparison of net benefits across different initiatives (see Cost-benefits analysis). Other forms of economic evaluation may compare an alternative action to achieve the same output (see Cost-efficiency analysis) or outcome (see Cost-effectiveness analysis).
Effectiveness	The extent to which an initiative achieves its objectives (usually related to outcomes).
Efficiency	The extent to which an initiative delivers outputs relative to cost. It can also be understood as the extent to which an initiative delivers optimal outcomes relative to cost.
Effect size (scale of change)	The quantitative difference in outcomes between the intervention and counterfactual scenario after the initiative has been implemented.
Equity goals	Goal(s) to reduce identified disparities between sub-groups within a population. Disparities may be based on characteristics such as disability status, income, geography/region, ethnicity, religion, gender or age.
Evaluation	A systematic and transparent process that can be used to assess the appropriateness, efficiency, effectiveness or net social benefits of an initiative.
Evaluation design	The overarching design that determines the methods to be used, the data collection required and the level of attribution which can be validly applied to an initiative.
Evaluation methods	The tools (e.g., surveys) and procedures (e.g., recruitment) used to collect and analyse data.
Evaluation plan	A plan that outlines how an evaluation will be designed and implemented.
Evidence	Information or a body of facts, quantitative or qualitative, that can be used to assess the validity of a proposition or inform a decision. For evidence to be considered robust it should be relevant to the context, credible, independently verifiable, accurate and complete.

Term	Definition
Experimental Design	Experimental designs, or randomised control trials (RCTs), randomly assign participants to either an intervention group, or to a control group (a group not exposed to the initiative), to test for causal attribution of an initiative to outcomes.
Ex-post evaluation	An evaluation undertaken after an initiative has been implemented. This may be during or at the end of an initiative's life.
External validity	The extent to which the evaluation's findings can be generalised and replicated to different contexts (e.g., location, populations).
Findings	Information discovered as the result of an evaluation, including statements and representations of data.
Gateway Assurance System	The NSW Government project assurance process that mandates independent peer reviews by experts at defined critical decision points (or gates) in the lifecycle of an initiatives (capital, ICT and recurrent).
Governance Structure	The organisation and processes needed to govern monitoring, benefits realisation and evaluation activities.
ICT initiative	An operational technology initiative, that uses resources to acquire, process, store and disseminate information.
Impacts	In the NSW Evaluation TPG, 'impact' is used to describe any intended, unintended, positive, negative, direct or indirect effect caused by an initiative's outputs and activities. Impacts include outcomes and their benefits (or costs/disbenefits).
Indicator	A system of measurement that is used to represent performance and track the success of the initiative. It may be a direct 'measure' or constructed based on multiple 'measures'.
Indirect impacts	The effect (positive or negative) on third parties not directly involved in producing or consuming the primary good or service associated with an initiative. They can include externalities and impacts on related markets. They do not include second round impacts, which are the flow-on impacts and also known as multipliers.
Initiative	Any capital, recurrent, ICT or regulatory or policy action undertaken with the aim to achieve outcomes for the NSW community. This can be a program, policy, strategy, service, project or any series of related events.
Inputs	The financial, human, material, technological and information resources used to implement and deliver an initiative.
Internal validity	Internal validity is about the extent to which the differences in outcomes between two groups in a study can be attributed to an intervention based on the design of the study. That extent can range anywhere from 0% – 100%
Key Evaluation Questions (KEQs)	The high-level questions that the evaluation is designed to answer.
Key Performance Indicators (KPIs)	A subset of indicators selected to track and report upon the success of the initiative.
Likert Scale	A measurement method used in surveys and questionnaires to examine the attitudes, opinions or perceptions of respondents of an initiative. It involves a scale, usually with five or seven points, to allow the respondent to express how much they rate a particular statement.
Logic Model	A diagram that illustrates how an initiative is intended to work, by systematically setting out inputs, activities and outputs, and linking these with impacts (including outcomes and benefits). May also be described as a program logic.
Market failure	A situation where the private market fails to supply a socially optimal level of a good or service.

Term	Definition
Measure	A quantitative or qualitative value (direct, observable and measurable) of initiative performance that directly tracks change and that details the extent to which intended implementation and impacts are being achieved.
Monitoring	A continuous and systematic process of collecting and analysing information about the implementation and impacts of an initiative.
Monitoring and Evaluation Framework	A framework that plans for and guides monitoring and evaluation over the life of an initiative.
Net Present Value (NPV)	The difference between the present value of benefits and present value of costs.
Net social benefit	In economic evaluation, net social benefit is the change (increase or decrease) in welfare that is derived from an initiative. This can be measured as the difference between total benefits and total costs attributable to the initiative (includes social, economic, environmental and cultural impacts). In ex-post CBA, relevant decision criteria used to assess net social benefits is the net present value (NPV). Where key benefits cannot be quantified, qualitative assessment of likely net social benefits should be reported.
Nominal price	The prices applicable at each point through time allowing for inflation. Also known as current prices.
Non-Experimental Design	An evaluation design that does not involve the allocation of an intervention and control or comparison group. These designs are also referred to as descriptive or observational studies.
New Policy Proposals (NPP)	Proposals to fund new projects or programs in NSW.
Objective of the initiative	The aim(s) of the initiative, based on the problem or opportunity identified. It often provides the basis for determining success.
Outcome	Changes that are attributable to the initiative outputs. Changes may be in social, economic, environmental or cultural conditions and may occur in the short, medium or long term. They may include changes in lives, status, health, surroundings, knowledge, attitudes, values, behaviours, or satisfaction levels. <u>Outcomes can materialise over different periods during the life of an initiative: short term, medium term and long term. The classification and duration of each outcome is dependent on the unique characteristics (e.g., initiative type, project lifecycle and maturity period of intended outcomes) of an initiative.</u>
Outcome evaluation	An evaluation that examines if, to what extent and how an initiative is leading to intended outcomes.
Output	The products, services and infrastructure that result from the initiative activities.
P-value	P-value is the actual probability, calculated with data collected for the evaluation, of incorrectly concluding that the initiative caused the observed outcomes. A p-value below a set significance level indicates that findings are statistically significant.
Peer review	A process where the quality of the work is evaluated by a reviewer external to the business area and delivery teams, with subject matter expertise.
Process evaluation	An evaluation that examines initiative implementation and delivery. It focuses on the inputs, activities and outputs of an initiative.
Program	“The collection of activities, tasks, divisions or function of an agency designed to deliver specific outputs that contribute towards achieving a State Outcome” (TPP18-09). An ‘initiative’ may sit within a Program, contribute to the outcomes of more than one Program, or be a Program itself. See TPP18-09 Outcome Budgeting .

Term	Definition
Program Logic	See Logic Model. <i>Note: the Evaluation TPG uses 'logic model' to allow for flexibility in presenting how an initiative is intended to work.</i>
Program Performance Measure (PPM)	Under Outcome Budgeting, a PPM is a quantitative or qualitative measure of Program performance that is used to demonstrate change and that details the extent to which Program results are being or have been achieved.
Qualitative data	Information that cannot be reduced to numbers, usually using words or images. Qualitative data are essential for providing context around the quantitative data and looking for unanticipated changes and side-effects in relation to the initial program logic.
Quantitative data	Quantitative data can be counted and expressed in numerical terms. They are useful to identify trends and can provide evidence that changes are attributed to the initiative.
Quasi-Experimental Design	An evaluation design that does not use randomisation to assign participants to an intervention group or to a comparison group (a group not exposed to the initiative), to test for causal attribution. It is also known as non-randomised experimental design.
'Real' price	Past or future (nominal) prices converted into present prices (for the base year of analysis) by adjusting for inflation or deflation as relevant. Also known as constant prices.
Recurrent initiative	New or ongoing initiatives that use funds for staff, service provision, legislative or regulatory changes including taxes and revenue or grants.
Regulatory initiative	Any scheme or requirement imposed by Acts of Parliament, regulations made under or administrative requirements imposed by virtue of a power specified in those Acts, or by Statutory Instruments.
Risk	Where a future outcome is not known, but the probability of alternative future outcomes can be reasonably estimated. See the NSW Guide to Cost-Benefit Analysis .
Sampling	Sampling is the selection of a subset of individuals or units (the sample) from within a population, to draw conclusions about the whole population.
Sensitivity analysis	Analysis that tests the sensitivity of results to key risks or changes in key assumptions.
Stakeholders	Members of the NSW community involved with or impacted by an initiative. This includes customers or clients who are intended to benefit from, and anyone who otherwise experiences the impacts of, the initiative (may be anyone who lives, works, visits, or invests in NSW, including businesses).
State Outcome	The primary purpose for which Budget funding is being expended, which clearly explains to the public the goal that a subnational government is seeking to achieve for its people. NSW State Outcomes are accompanied by Outcome Indicators. See TPP18-09 Outcome Budgeting .
State Outcome indicator	Under Outcome Budgeting, a State Outcome indicator is a measure of effectiveness that can reasonably demonstrate the performance of the government in achieving a State Outcome.
Statistical significance	A statistically significant result means that the result (or change in outcomes) is unlikely to be due to chance. Whether a result is statistically significant depends on several factors, including sample size, the confidence interval and confidence level. Findings are considered statistically significant if the p-value is below a pre-determined significance level.
Social welfare	In the Guide to CBA, social welfare refers to the wellbeing of the entire society or community (in this case, the people of NSW). This incorporates economic, social, environmental, and cultural considerations.
Target	The desired level of performance for a measure or indicator to be achieved in a specific time frame.

Term	Definition
Terms of Reference	In the evaluation context, this is a written document presenting the purpose and scope of the evaluation. May include the methods to be used, the standard against which performance is to be assessed or analyses are to be conducted, the resources and time allocated, and reporting requirements.
Theory of change	A theory-of-change is a summary narrative that explains how and why the initiative is intended to achieve intended outcomes and benefits, based on evidence, logic or theory.
Triangulation	In evaluation, triangulation is a way of combining data or findings from multiple sources, that investigate the same subject, to build and check the accuracy of evidence.
Value for money	<p>Value for money is achieved when the maximum benefit is obtained from the available resources.</p> <p>Value for money is supported by:</p> <ul style="list-style-type: none"> • maximising output from the use of available inputs (or minimising inputs for a pre-determined level of output), • effectiveness in achieving the intended outcomes, and • maximising benefits and achieving a net social benefit (i.e., benefits exceed costs).
Welfare	<p>Welfare is synonymous with wellbeing of an individual, group, community or the entire society (in this case, the community of NSW). Changes in welfare may be related to social, economic, environmental and cultural outcomes.</p> <p>In a CBA, social welfare refers to the aggregate change in benefits and costs across all NSW residents.</p>