# Developing a benchmarking methodology for the Data Exchange

Benchmarking is a powerful business management tool to help organisations compare performance data with other similar organisations, also known as peer grouping. It aims to provide tools that support organisations to build a meaningful understanding of their strengths and areas for improvement. Benchmarking provides insights on trends across similar service types and helps organisations analyse and refine services when innovative practices are identified.

In 2017, the Department of Social Services commissioned the Queensland University of Technology to conduct a review to identify state-of-the-art methods for benchmarking, drawing from related, peer-reviewed literature in social services, hospitals, schools and other areas. The Queensland University of Technology has assessed the quality of data from the Data Exchange and identified activities, organisations and reporting periods for which there was sufficient data for benchmarking.

Development of a Data Exchange benchmarking statistical methodology will commence shortly. Collaboration is critical to the success of the development of the Data Exchange benchmarking process, and this work will be undertaken in tandem with organisations through experimental testing and collaboration on delivery approaches. The statistical methods for benchmarking will be developed by:

1. **Evaluating** the quality of Data Exchange dataset, considering the range of submitted data. Organisational characteristics and client demographic data will form the basis of peer groupings.
2. **Undertaking an experimental study** of benchmarking**.** The Data Exchange will work closely with a small number of organisations to test peer groupings and identify opportunities and areas for improvements in the benchmarking methodology.
3. **Refining** the peer grouping based on gaps identified in the experimental study. Testing of new method(s) will be conducted in collaboration with organisations.

**Benchmarking guidance**

Comprehensive guidance material will be provided to support implementation the [Data Exchange](https://dex.dss.gov.au/) website.

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