

# Logan East Community Neighbourhood Association

Real Impact. Real Value.



## NEIGHBOURHOOD CENTRE FUNDING

\$149,184

### Emergency relief value includes:

- Food and groceries: **\$874,100**
  - Food vouchers: **\$13,440**
  - Bill payments: **\$28,800**
  - Fuel Vouchers: **\$13,440**
- Public transport cards: **\$4,320**

### Services value includes:

- Auspicing other organisations: **\$0**
- Community lunch, frozen or other meals: **\$3,600**

### Employment value

10.53 FTE jobs  
including 7.2 direct and 3.3 indirect  
Full Time Equivalent positions



## VALUE

\$1,373,389

### This figure includes the value of:

Improved quality of life through social connection: **\$429,319**

Volunteer contributions: **\$715,354**

Emergency relief provided: **\$934,100**

Services provided: **\$9,970**

### This community value equates to:

**\$9.21** for every \$1 of income

Over **\$366.24** for every hour the neighbourhood centre is in use

These calculations were conducted by Queensland Families



Supporting our members to build Community  
Queensland Families & Communities Association

## Value to communities from selected Neighbourhood Centre activities

### Basis of calculation

The Logan East Community Neighbourhood Association provided in excess of \$1,373,389 of value to the community for 2019. This is based on data provided through the Neighbourhood Centre Survey 2019.

This figure includes the value of:

- Improved quality of life through social connection: based on **314** participants in various activities per week
- Volunteer contributions: based on **320** volunteer hrs per week
- Food and groceries: based on **3,633 kgs** of food relief provided per month
- Food vouchers: based on an average of **\$1,120** of vouchers provided per month
- Cash/prepaid or gift card: based on **\$0** cash/card value provided per month
- Bill payments: based on **\$2,400** of participant bills paid for per month
- Fuel Vouchers: based on an average of **\$1,120** of vouchers provided per month
- Public transport cards: based on average **\$360** of travel cards value per month
- Internet usage: based on **0 hrs** of individual computer/internet use per month
- Resume assistance: based on assisting with **0** resume's/ month
- Auspicing other organisations: based on auspicing organisations or groups in 2019
- Community lunch, frozen or other meals: based on providing **30** meals/ month
- School aged breakfast programs: based on providing **0** breakfasts/month

This equates to:

- Community value for every \$1 of Neighbourhood Centre Program funding based on **\$149,184** of Neighbourhood Centre Program funding
- Community value for every hour the Neighbourhood Centre is in use based on Neighbourhood Centre buildings in use for **75** hrs per week

Direct and indirect full-time equivalent employment positions created based on **274** hrs total weekly paid hours of employment.

### Notes

We use the term 'community value' because the valuations above incorporate a range of methods depending on the available evidence. These include methods such as social return on investment (SROI), return on investment (ROI) and replacement cost.

All valuations are conservative and based on existing research by reputable organisations using widely used and/or well documented methods as well as benchmarked market values for replacement cost valuations.

The report does not include many community benefits that are not within the scope of the Neighbourhood Centre Annual Survey to reasonably value including:

- all services and activities not listed above or their flow on economic or social benefits (except social connection) including hobby courses, exercise classes, referral, counselling or social support, community transport etc
- agencies or brokered in services such as Centrelink, maternal child and health etc.
- social enterprises or the economic multipliers from indirect or induced economic activity
- intangible benefits such as community pride and sense of belonging, leadership development, community voice through advocacy, increased personal independence etc.

The total community benefit is significantly greater than what has been valued here.

These valuations are based on volume of activity, so the outcomes are affected by income and population size with Neighbourhood Centres in localities with smaller populations generally expected to generate lower total community value. Variations in organisations and communities make these measures unsuitable for comparisons between Neighbourhood Centres.

## Calculation methods

### Social Connection

In 2018, Deloitte Access Economics produced a report<sup>1</sup> that determined a monetary value for the community connection work of Morwell Neighbourhood House. The method, detailed in the report, uses existing research to calculate the contribution of community connection to a Quality-Adjusted-Life-Years (QALYs)<sup>2</sup>. Quality-Adjusted-Life-Years is the most widely used approach for estimating quality of life benefits in economic evaluations<sup>3</sup>.

The report assumed that 50% of the annual unique visitors to the Neighbourhood House were one off or infrequent for the purpose of their calculations. Appendix C of their report outlines the detail on their method.

Because programmed activities are group activities run over a period of time and therefore not attended in a one-off or infrequent way, using the number of participants per week in different activity types from the Neighbourhood Centre survey allows for a conservative calculation of the numbers of visitors potentially obtaining social connection benefits.

A survey<sup>4</sup> of over 47,700 Neighbourhood House participants conducted by Neighbourhood Houses Victoria for the Victorian Department of Health and Human Services established benchmark percentages of participants identifying a social connection type benefit for each of the following types of activity:

- Social group
- Exercise/health class
- Support group
- Advice/help
- Childcare/playgroup
- Course or class
- Volunteering/placement
- Job training/ job support

<sup>1</sup> [http://www.morwellnh.org.au/wp-content/uploads/2018/05/MNH\\_Social-Impact-Analysis\\_May-2018\\_.pdf](http://www.morwellnh.org.au/wp-content/uploads/2018/05/MNH_Social-Impact-Analysis_May-2018_.pdf)

<sup>2</sup> [https://www.pmc.gov.au/sites/default/files/publications/Value\\_of\\_Statistical\\_Life\\_guidance\\_note.pdf](https://www.pmc.gov.au/sites/default/files/publications/Value_of_Statistical_Life_guidance_note.pdf)

<sup>3</sup> <https://www1.health.gov.au/internet/publications/publishing.nsf/Content/illicit-pubs-needle-return-1-rep-toc~illicit-pubs-needle-return-1-rep-5~illicit-pubs-needle-return-1-rep-5-2>

<sup>4</sup> <https://www.nhvic.org.au/Handlers/Download.ashx?IDMF=e3d8162c-9605-4d31-afce-594aa64a14c7>

The number of weekly participants in each activity type is multiplied by the relevant percentage of participants that identified "meeting new people/making friends" and/or "spending time with others" as benefits of attending their Neighbourhood Centre in the Victorian research. These two reported benefits are used in the Deloitte calculations and are most strongly associated with participants who identified attending for various programmed activities including, social and support groups, job training and support and other courses and classes.

The \$ Values are expressed in 2019 equivalents i.e. CPI adjusted Quality Adjusted Life Year value of \$195,177, which is consistent with Deloitte's method.

The value of your Neighbourhood Centres increased social connection is calculated by adding together the totals using this formula:

**Number of participants in each activity type X 1 QALY (\$195,177) X percentage of people identifying a social connection benefit for that activity type X contribution of social connection to a QALY (3.84%) X the extent to which contribution of social connection to a QALY can be attributed to attending the Neighbourhood Centre (28.57%).**

The use of the participants in programmed activities as the basis for the calculation is conservative as it uses a typical weekly attendance figure. The actual total number of participants in programmed activities over a year will be greater as new people participate in activities over the course of a year. In addition, it does not include regular informal attendance i.e. drop ins where relationships are also built and maintained.

Deloitte further calculate the value of increased connection through increased participation in the broader community due to participation at the Neighbourhood Centre for 10% of the participants.

## Volunteering

Volunteering value is based on the replacement cost of volunteers' labour. This is valued at \$42.99 per hour. This is based on the method recommended by Our Community<sup>5</sup> which uses the ABS average weekly earnings per hour as of May 2019<sup>6</sup>.

The formula for calculating the community value of volunteering is:

**Number of volunteer hours per week X weeks open per year X volunteer hourly replacement rate**

This is a conservative valuation. For example, it does not include the value of the services provided as a result of volunteering or the contribution to the economy and taxation from participating in volunteering, e.g. cost of travel to the place of volunteering.

## Emergency relief

### Food and groceries

The value to community of emergency food relief is based on work undertaken by Foodbank in Australia<sup>7</sup>. Their social return on investment analysis determined that food relief was valued at an average \$20.05 per kilogram of food in 2014 dollars. This valuation included the value of:

- Improved physical health (children)
- Better performance at school (students)
- Better social relationships

<sup>5</sup> <https://www.fundingcentre.com.au/help/valuing-volunteer-labour>

<sup>6</sup> <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6302.0>

<sup>7</sup> <https://www.foodbank.org.au/wp-content/uploads/2019/06/Foodbank-Hunger-Report-2014.pdf>

- Increased sense of self-worth
- Improved standard of living
- Improved physical health
- Increased emotional wellbeing
- Reduced waste and greenhouse emissions

While the cost of food has increased since 2014, the change in value of the social benefits is unclear. For this reason, we have retained the \$20.05 figure making this a conservative evaluation.

The formula for calculating the community value of food and groceries is:

**Number of Kgs distributed for an average month X 12 (months) X \$20.05**

#### Food vouchers

Based on the dollar value of vouchers given out. This is a conservative valuation as it does not include the benefit derived from accessing food such as improved health and wellbeing, improved school performance for children etc.

The formula for calculating the community value of food vouchers is:

**Total \$ value of food vouchers distributed in an average month X 12 (months)**

#### Cash/prepaid or gift cards

Based on the dollar value of cash or gift cards given out. This is a conservative valuation as it does not include the benefit derived from items purchased such as improved health and wellbeing, improved school performance for children, added value to the economy etc.

The formula used for calculating the community value of cash/prepaid or gift cards is:

**Total \$ value of cash/prepaid or gift cards distributed in an average month X 12 (months)**

#### Fuel Vouchers

Based on the dollar value of vouchers given out. This is a conservative valuation as it does not include the benefit derived from increased access to transport or the alternative use of funds that would otherwise have been used for transport such as improved health and wellbeing, improved school performance for children etc. It also does not include benefits to the local economy.

The formula used for calculating the community value of fuel vouchers is:

**Total \$ value of fuel vouchers distributed in an average month X 12 (months)**

#### Bill payments

Based on the dollar value of bills paid by the Neighbourhood Centre for individuals in need. This is a conservative valuation as it does not include the benefit derived from increased access to services for which bills were paid or the alternative use of funds that would otherwise have been used for transport such as improved health and wellbeing, improved school performance for children etc. It also does not include benefits to the broader economy.

The formula used for calculating the community value of bill payments is:

**Total \$ value of participants' bills paid in an average month X 12 (months)**

#### Public transport cards

Based on the dollar value of public transport cards given out. This is a conservative valuation as it does not include the benefit derived from increased access to transport or the alternative use of funds that would otherwise have been used for transport such as improved health and wellbeing, improved school performance for children etc.

The formula used for calculating the community value of public transport cards is:

**Total \$ value of public transport cards distributed in an average month X 12 (months)**

## Services

Except for school breakfast clubs, service valuations in this section do not include additional benefits from the service such as improved health, job prospects or employment nor the auspiced community groups' outcomes. This is due to the absence of appropriate research that quantifies these benefits.

### Internet/computer usage

Based on the number of hours of internet or computer use by individuals in an average month. This is benchmarked to the cost of a commercially available equivalent i.e. internet kiosk regardless of whether a commercial alternative is available. Note that free wifi is not an equivalent as there is no support or equipment made available. Commercial rates from \$3-\$5<sup>8</sup> have been benchmarked. The lower rate is used to account for the variation in the equipment and software provided. The rate does not include non-market benefits such as family connection, benefits from accessing or managing government services etc.

The formula used for calculating the community value of internet/computer use is:

**Total number of hours of internet/computer in average month x 12 months X \$3**

### Resume assistance

Based on the cost of a resume service for a fee. The fee was benchmarked at the median price of \$50 on airtasker.com<sup>9</sup>. The value was discounted to \$30 to account for the fact that Neighbourhood Centres may provide a participant with assistance in developing a resume rather than creating a full resume as a service.

The formula used for calculating the community value of resume assistance is:

**Total number of resumes assisted with in an average month X 12 (months) x \$30**

### Auspicing other organisations

Based on the cost of purchasing public liability cover which groups would have to take out if they were not covered by the Neighbourhood Centre under auspicing arrangements. The price is benchmarked at \$637 for annual cover provided by Local Community Insurance Services<sup>10</sup>

The formula used for calculating the community value of auspicing other organisations is:

**Total number of organisations auspiced in 2019 x \$637**

### Community lunch, frozen or other meals

Based on the cost of purchasing a meal commercially, this has been benchmarked at \$10 per meal. This is benchmarked based on the prices quoted by ING, and numbeo.com<sup>11</sup> ranging from \$13 to \$25. It is discounted to \$10 per meal to account for regional price variation.

While many meals provided at community lunches are likely to be a form of emergency relief, participants may attend community lunches for other reasons such as for company or a lack of cooking skills. Because we are unable to distinguish between the two, meals provided are not valued as emergency relief.

<sup>8</sup> <https://www.facebook.com/dsinternet512/?rf=710935435612179> <https://www.facebook.com/galaxysonicgaming>

<sup>9</sup> <https://www.airtasker.com/writing/resume-writing/>

<sup>10</sup> <https://www.localcommunityinsurance.com.au/>

<sup>11</sup> <https://www.numbeo.com/cost-of-living/in/Melbourne> , <https://blog.ing.com.au/money-matters/saving/dust-off-your-lunch-boxes/#article-1811>,

The formula used for calculating the community value of community lunches, frozen or other meals is:

**Total number of individual meals served/provided in an average month x 12 months x \$10**

### School aged breakfast clubs

The value to community of food provided through school breakfast clubs is based on work undertaken by Foodbank in Australia<sup>12</sup>. Their social return on investment analysis determined that school breakfast clubs were valued at an average \$110 per kilogram of food in 2014 dollars. This valuation included the value of:

- Improved physical health (children)
- Better performance at school (students)

Based on data from their report, the average breakfast is valued at \$31.40 in 2014 dollars. While the cost of food has increased since 2014, the change in value of the social benefits is unclear. For this reason, we have retained the \$31.40 figure making this a conservative evaluation.

The formula used for calculating the community value of school aged breakfast programs is:

**Total number of individual breakfasts served/provided in an average month x 10 months x \$31.40**

### Community value relative to inputs

#### Community value for every \$1 of Neighbourhood Centre Funding

Shows the total calculable community value from the organisation for each dollar of Neighbourhood Centre funding received. The NHCP provides the platform to develop and attract funding for the various activities the organisation undertakes.

The formula used for calculating the community value for each dollar of NHCP is:

**Total community value/ total Neighbourhood Centre funding for 2019**

#### Community value for every \$1 of income

Shows the total calculable community value from the organisation for each dollar of income received.

The formula used for calculating the community value for each dollar of NHCP is:

**Total community value/ total annual income for the reported year**

#### Community value for every hour the Neighbourhood Centre is in use

Shows the total calculable community value as an average for each hour the Neighbourhood Centre is in use. 'In use' includes any time of the week or day when activities are occurring, regardless of whether the organisation is staffed or open to the broader public. It does not reflect concurrent usage i.e. multiple activities occurring simultaneously for one hour are counted as 1 hour of use, even if these activities occur at different sites operated by the organisation. It is essentially an expression of community value from a building utilisation perspective.

The calculation assumes activities take place over 50 weeks in the year.

The formula used for calculating the community value for every hour the Neighbourhood Centre is in use is:

**Total community value / (hours per week the building/s is in use x 50)**

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<sup>12</sup> <https://www.foodbank.org.au/wp-content/uploads/2019/05/Foodbank-Hunger-in-the-Classroom-Report-May-2015.pdf>

## Employment

Employment is calculated using the total hours of paid employment response combined with multipliers derived from 2017 analysis by Deloitte ACCESS Economics on the Economic contribution of the Australian charity sector for the Australian Charities and Not-for-profits Commission<sup>13</sup>. The multipliers are based on employment data for the social services sector classification. This classification covers much of the work done by Neighbourhood Centres including community development and training (multiplier = 1.46). This means that for every full-time equivalent employee, a further 0.46 full-time equivalent jobs are supported elsewhere in the economy due to the economic activity created by wage spending.

The formula used for calculating the total employment effect is:

$$\text{Total reported hours of paid employment} / 38 \times 1.46$$

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<sup>13</sup> <https://www.acnc.gov.au/2Ftools%2Freports%2Feconomic-contribution-australian-charity-sector&usg=AOvVaw2R-20vVOybpm8ctvW5xsCY>