

Community Contributions Scheme Impact Analysis

September 2017

FINAL REPORT

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Executive summary

Executive summary

The Community Contributions Scheme ensures that a portion of revenue from electronic gaming machines (EGMs) is provided back into the ACT community to partially offset the harm that is caused by EGMs through negative impact to individuals and their communities.

This report provides an assessment of how the Scheme delivers a community benefit (the Scheme's core policy purpose).

Our assessment approach involved two principal tasks:

- First, to clearly identify beneficiaries and impacts we mapped all contributions into measurement categories: activity; community sport; education; gambling harm and substance abuse; own event; own maintenance; own team; religious/culture/community; and social assistance.
- Second, we developed proxies for the benefits associated with contributions in these categories. These proxies provide a monetary value on a wide range of impacts (social, economic, health, and other) across the full range of stakeholders (individuals, relevant groups, government, the broader community, etc.).

Range of impacts quantified

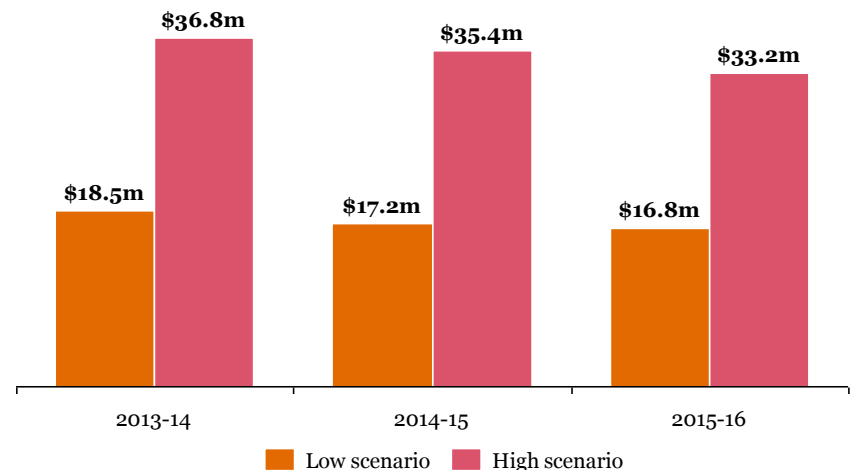


In our analysis, we quantified the total community impact by multiplying the total contribution in each measurement category by the chosen proxy for that category.

The resultant total community impact is presented as a range for two reasons:

1. There is uncertainty in the impact of in-kind contributions to a beneficiary as the extent of the need of that good or service is unknown (i.e. would they be paying for it in the absence of the contribution).
2. There is uncertainty in the impact of contributions to a club's own team because these contributions are within the club's primary purpose and it is unknown whether they are having an incremental impact (i.e. if they would still occur in absence of the Scheme).

Total community impact under the low and high scenarios



Executive summary (cont.)

Community contributions of \$10.5 million in 2015-16 created an indicative value of \$16.8 million to \$33.2 million of benefit to the community. This impact is measured incrementally, so between \$16.8 million and \$33.2 million worth of impact would be lost (or have to be replaced with alternative programs) if the Scheme ceased to exist.

This represents a gross return on investment for the Scheme in 2015-16 of between 1.6 and 3.2. The decline in community impact seen in the graph on the previous page is reflective of the decline in contributions from \$11.2 million in 2013-14 to \$10.5 million in 2015-16.¹

Listed below are the key findings and recommendations that have emerged through the analysis undertaken in this report:

- the formal reporting categories in the Scheme could be changed to be more illustrative of need and impact
- a small amount of community contributions were found to not further the policy purpose of the Scheme. Club's own infrastructure maintenance is deemed to not have an incremental impact (would occur in absence of the Scheme) and club's own events are within their own primary purpose and have no nexus to the community need.
- contributions could be prioritised to particular needs if there was a system in place where clubs could demonstrate an identified need in a way such as a published community plan. Alternatively, the 4:3 category adjustment incentive (currently used for problem gambling and women's sport contributions) or required contribution percentages for categories could be changed intermittently to focus on particular areas of need
- a grants system where a central pool of contributions was independently administered could be a way to target areas of the community in most need. However, this could increase administration expenses, shut out smaller organisations and remove the existence of in-kind contributions
- unadjusted numbers for problem gambling and women's sport should be publicly reported to be more indicative of the contributions actually going to the community (currently they are reported as the 4:3 adjusted numbers that the clubs can claim under the incentive, not as the numbers that are being contributed)
- more could be done in the public articulation of the impact of contributions to hold the clubs more accountable and make more community organisations aware that they could be accessing these contributions
- developing outcomes and impact data through engagement with beneficiaries of the Scheme would be very valuable in the ongoing monitoring of the Scheme. However, it is acknowledged that this is a resource intensive exercise.

¹Note that the disparity in this level of total contributions compared to the GRC Community Contributions Annual Reports is due to the following: the Problem Gambling Assistance Fund (PGAF) is removed; the unadjusted contributions to problem gambling and women's sport are used; and the use of 'working copies' of club reports by PwC to enable our analysis to be conducted to the required level of detail. This disparity has an insignificant effect on the overall impact analysis of the Scheme.

Section 1

Introduction

Overview of the Scheme

The Scheme

The Community Contributions Scheme (the Scheme) was established in its first form in 1997 with the aim of ensuring that establishments generating a revenue from electronic gaming machines (EGMs) were reinvesting a portion of it back into the community. It is mandatory for all clubs in the ACT to give 8 per cent of their net gaming machine revenue (NGMR) in the form of community contributions across five chosen categories. Clubs can elect to make monetary contributions or in-kind contributions.

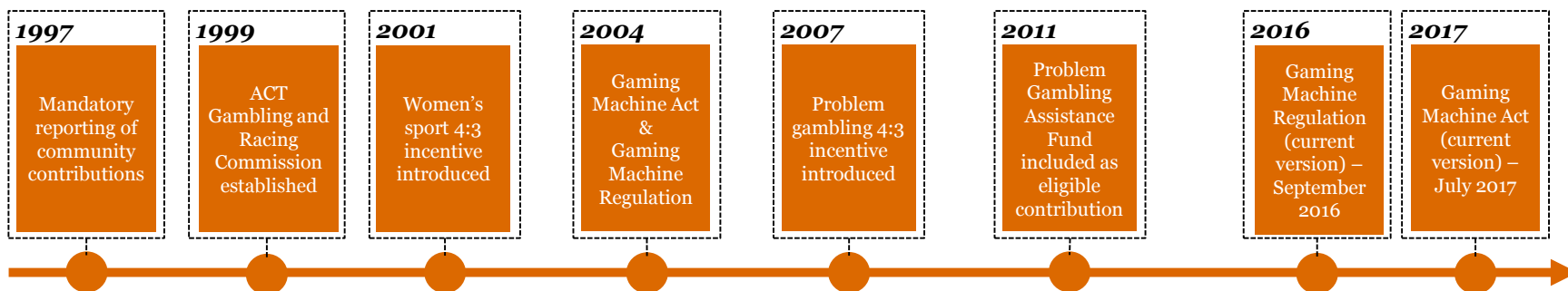
The *Gaming Machine Act 2004* (republication July 2017) contains the primary legislation provisions dealing with the Scheme, and the Gaming Machine Regulation 2004 (republication September 2016) provides guidelines for approving contributions. Access Canberra monitors and reports on the Scheme on behalf of the ACT Gambling and Racing Commission (GRC).²

Policy purpose

The key purpose of community contributions, as defined in the *Gaming Machine Act*, is 'contributing to or supporting the development of the community' or 'raising the standard of living of the community or part of the community'. This purpose was designed to partially offset the harm that is caused by EGMs through negative impact to individuals and their communities. The legislation details a range of contributions that cannot be approved under the Scheme (such as expenditure on commercial activities, expenditure in relation to gambling and capital payments for assets not available to the public).³

To incentivise contributions in the areas of women's sport and problem gambling, clubs are allowed to claim contributions in these categories at a 4:3 ratio. Also, beginning FY 2011-12, clubs' contributions to the Problem Gambling Assistance Fund (PGAF), a mandatory 0.75 per cent of gross revenue, were made eligible under the Scheme.

Timeline of the history of the Scheme



² Gambling and Racing Commission (2016) *Community Contributions*, available at <https://www.gamblingandracing.act.gov.au/community/community-contributions>

³ ACT Legislation Register *Gaming Machine Act 2004 Part 12*, available at <<http://www.legislation.act.gov.au/a/2004-34/current/pdf/2004-34.pdf>>

Overview of this report

Purpose of this report

PwC has been engaged by the GRC to conduct a review of how the Scheme is meeting its policy purpose of delivering a community benefit. This requires an examination and quantification of the impact of the contributions on the community.

It should be noted that examination of whether the Scheme is an appropriate way of offsetting the negative community impact of EGMs is not addressed as it is outside the scope of this report.

Process

To conduct this impact analysis, we first reviewed the history and operations of the Scheme to ensure the required understanding to begin an impact assessment. This was done through desktop research of publicly available information related to the objectives and policy setting of the Scheme, including GRC publications, legislation and other external reports. In addition to this research, we held a stakeholder consultation with Access Canberra team members to hear from subject matter experts on where the Scheme is having the most impact and how this impact can be measured.

Based off this understanding, we set a framework for measuring the benefit that the Scheme is bringing to the community. The question central to the development of this framework is ‘what impact would be lost or need to be replaced if the community contributions under the Scheme stopped?’ This framework was designed to incorporate all benefits including social, economic, health and others.⁴

The impact analysis was conducted for the financial years 2013-14, 2014-15 and 2015-16, as indicative of current Scheme performance,

using individual club community contribution reports to categorise contributions. A conservative approach was taken in quantifying the overall community impact and the results have been provided as a range due to the ambiguous and uncertain nature of this type of analysis.

Throughout the analysis the term clubs is used to represent both clubs and hotels/taverns for simplicity. Although hotels/tavern contributions are generally reported separately to clubs, they are analysed together in this analysis for completeness.

Report structure

The remainder of the report has the following structure:

- Section 2: Historical contribution trends – review of trends in contributions by reporting category and type over the past seven years to provide context for the impact analysis that follows.
- Section 3: Approach for impact analysis – discussion of the logic behind impact analyses and the framework for quantifying impact adopted in this report.
- Section 4: Community contribution impact results – the results of applying the framework to contribution data for the past three years.
- Section 5: Key findings – discussion of the main insights revealed and recommendations for remaining focused on the impact on the community in the future.
- Appendices – additional detail on key research and analysis.

⁴ ‘Other benefits’ are included in some literature we examined and can include environmental and civic pride or community building benefits

Section 2

Historical contribution trends

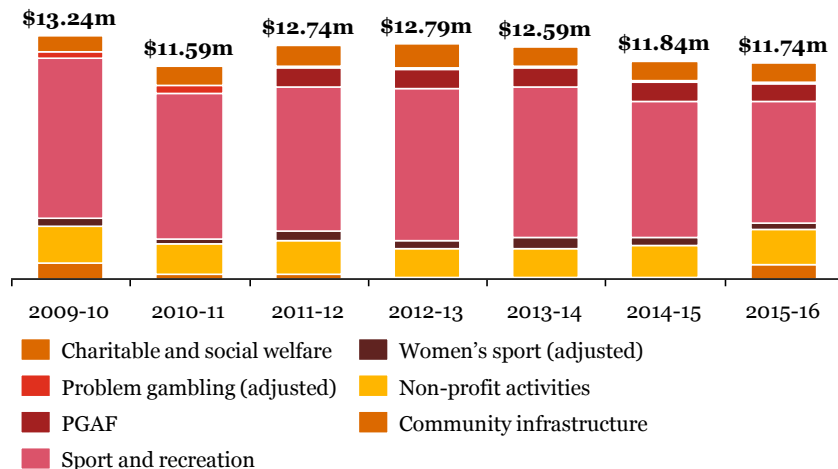
Analysis of contribution trends

The figures below illustrate trends in contributions over the last seven years. The data presented comes from GRC community contribution annual reports and is for clubs only. It should be noted that in the impact analysis in Section 4, hotel and tavern contributions are added in, the PGAF is removed and the unadjusted contributions to problem gambling and women's sport are used. Adjusted contributions refer to contributions that have been given a 4:3 weighting due to incentives in the Scheme.

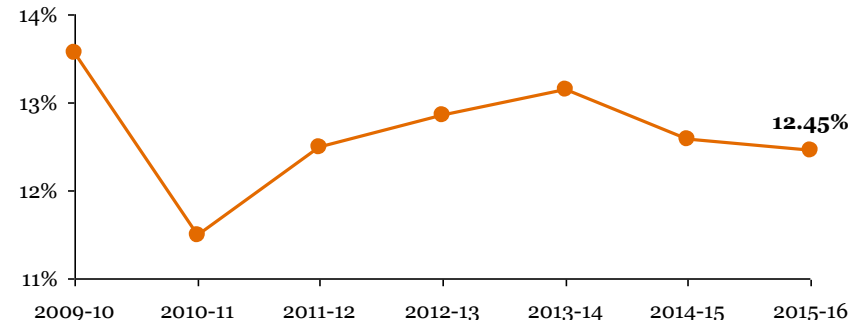
Reported community contributions of \$11.74 million in 2015-16 are the lowest since the PGAF was included in 2011-12. This is partly due to the decreasing trend of club NGMR, but there has also been a drop in contributions as a percentage of NGMR over the last two years. This percentage contribution has dropped to 12.45 per cent in 2015-16, which is the lowest since 2011-12. A full table of contributions is presented on the next page, along with an analysis of trends by reported category.

An analysis of contributions made by individual clubs over time was undertaken to better understand the reason for the overall trends. This showed that, in general, clubs are claiming similar contributions year on year, with a couple of the large movements simply explained by a transfer of a contribution between co-owned clubs. This observation indicates to us that clubs are not reviewing their contributions year on year or responding to external factors, but rather the contributions are incorporated as business as usual.

Total contributions by reporting category



Contributions percentage of NGMR



Note: Total contribution amounts quoted for each year are the amended amounts presented in the annual report of the proceeding year, except for 2015-16 as the 2016-17 report is not yet available.

Note 2: payments to the PGAF were included as eligible contributions beginning 2011-12, largely explaining the increase in contributions from 2010-11 to 2011-12.

Source: GRC Annual Community Contribution Reports, available at <<https://www.gamblingandracing.act.gov.au/about-us/publications>>

Analysis of contribution trends (cont.)

Sports and recreation contributions dropped by over \$2 million in the period from 2009-10 to 2015-16, and is hence the main contributor to the decrease in total contributions. Problem gambling contributions dropped largely in 2011-12, coinciding with the inclusion of PGAF as an eligible contribution in the Scheme. Also, it is interesting to note the spike in community infrastructure contributions in 2015-16 (investigated further in Section 4).

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Charitable and social welfare | 836,132 | 1,067,890 | 1,126,637 | 1,288,449 | 1,042,567 | 1,064,680 | 1,026,096 |
| Problem gambling (adjusted) | 339,622 | 467,669 | 106,810 | 77,986 | 76,921 | 84,103 | 71,516 |
| PGAF | | | 1,085,631 | 1,059,555 | 1,020,923 | 1,001,525 | 1,006,133 |
| Sports and recreation | 8,785,729 | 7,840,963 | 7,826,355 | 8,277,843 | 8,149,487 | 7,446,265 | 6,609,600 |
| Women's sport (adjusted) | 385,743 | 335,335 | 493,613 | 473,286 | 612,132 | 445,057 | 356,083 |
| Non-profit activities | 2,038,276 | 1,609,725 | 1,829,034 | 1,562,511 | 1,638,220 | 1,733,916 | 1,893,556 |
| Community infrastructure | 850,320 | 272,739 | 267,061 | 51,355 | 51,134 | 65,628 | 772,987 |
| Total contributions | 13,235,822 | 11,594,321 | 12,735,141 | 12,790,985 | 12,591,384 | 11,841,174 | 11,735,971 |

Note: Total contribution amounts quoted for each year are the amended amounts presented in the annual report of the proceeding year, except for 2015-16 as the 2016-17 report is not yet available.

Note 2: adjusted contributions are those weighted by a 4:3 ratio due to incentives in the Scheme.

Note 3: payments to the PGAF were included as eligible contributions beginning 2011-12, largely explaining the increase in contributions from 2010-11 to 2011-12.

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|
| Percentage of NGMR | 13.56% | 11.49% | 12.49% | 12.86% | 13.15% | 12.58% | 12.45% |
| Percentage monetary | | | 77.47% | 77.11% | 74.50% | 73.97% | 74.59% |

Note: monetary/in-kind split not provided in the 2009-10 and 2010-11 GRC Community Contribution Annual Reports.

Note 2: percentages are calculated using adjusted contributions and include PGAF

Note 3: payments to the PGAF were included as eligible contributions beginning 2011-12, largely explaining the increase in contribution percentage from 2010-11 to 2011-12.

Source: GRC Annual Community Contribution Reports, available at <<https://www.gamblingandracing.act.gov.au/about-us/publications>>

Section 3

Approach for impact analysis

Development of the approach

The process for developing the framework

In this report we assess the social, economic, health and any other impacts of the community contributions – quantifying how much the Scheme is meeting its policy purpose of ‘contributing to or supporting the development of the community’ or ‘raising the standard of living of the community or part of the community’. The question central to the development of this framework is ‘what impact would be lost from the community if the Scheme did not exist?’

To develop an approach to answering this question, the following steps were taken – we:

- held a stakeholder consultation with Access Canberra employees - the purpose of this was to hear from subject matter experts on where the Scheme is having the most impact and how this impact can be measured
- conducted a review of the detailed Scheme data to understand the information that was available for input in to the quantification
- conducted a review of best practice frameworks for measuring impacts of programs.

For more information on the stakeholder consultation, see Appendix C.

Issues to be addressed in the identification of impact

This consultation and desktop research identified a few key considerations to be addressed in both the quantification approach and developing key findings on how the Scheme is meeting its policy purpose:

- **Impacts come from addressing an identified need.** A strict construction of focussing on impacts as opposed to inputs could lead to the conclusion that for an impact that raises the standard of living, there needs to be some deficiency to be corrected. This could be phrased as an identified need in the community – if there is no identified need that the community contribution is addressing then should the contribution stop, there is no negative outcome that returns.
- **The policy purpose is only served by impacts that are incremental.** The impact of the Scheme should only include those activities that would not occur in absence of the Scheme. It was raised in consultation that activities that go to the primary purpose of a club would likely still occur in absence of the Scheme. Therefore any community impacts that come out of those activities would not be lost in absence of the Scheme and should not be included.
- **Impact should have a local connection.** It was raised in consultation that to be achieving the policy purpose of an impact to the community, there should be some nexus to the location or local community of the club.

Each of these are addressed in our impact quantification approach described over the following pages.

Best practice for measuring impact

Impact mapping

It is becoming increasingly common for organisations to seek to assess the effectiveness of programs that they deliver. This is often due to the increasing pressure from government or other relevant stakeholders to ensure that programs they are funding are generating a sufficient return.

The Productivity Commission developed a widely accepted framework for mapping the inputs of a program to the impacts. It emphasises the importance of moving to consider impacts when measuring the net benefit of a program to the broader community. The diagram below illustrates this framework. While inputs and outputs can provide insights into the scale and scope of activity, it is outcomes and impacts that show the net benefit to individuals and broader community. To identify and quantify impacts from first principles, comprehensive primary research of a range of beneficiaries should be carried out.⁵

This framework enables programs or organisations to not just be examined on a financial basis (of looking at inputs and outputs) but rather a fuller measure of total impact. This framework is flexible enough to include social, economic, health and other benefits.

In context of the Scheme

Currently, the analysis done on the Scheme only looks at the inputs – the amount of contributions community organisations receive from clubs to conduct their activities. These are easily identifiable from the Scheme's annual reporting, but provide limited information on impact. Some information on the activities conducted with these inputs is available but is inconsistent, as it depends on the description the club has discretion to provide.

As this report aims to determine the community benefit of the Scheme, the focus needs to be on outcomes and impacts, rather than inputs. To conduct this analysis using the framework provided by the Productivity Commission would require consultation with each of the beneficiaries of community contributions to map the activities they conduct with those inputs and collect evidence of the outcomes and impacts.

As this level of primary research is not feasible for this analysis (where just the last three years of data has over 36,000 individual input records), we have established an approach for analysis that will allow us to make assumptions about the type and level of impacts. This is discussed in the following pages.

Productivity Commission framework for measuring impact of a non-for-profit



⁵ Productivity Commission (2010) *Contribution of the Not-for-Profit Sector*, available at <<http://www.pc.gov.au/inquiries/completed/not-for-profit/report/not-for-profit-report.pdf>>

Identifying impact in input data

Given that the available data is input focussed, we needed to establish an approach to identify impacts. However, the current community contribution reporting categories make it difficult to clearly identify beneficiaries and impacts. Therefore, the first step of our quantification approach was to map each input to a measurement category.

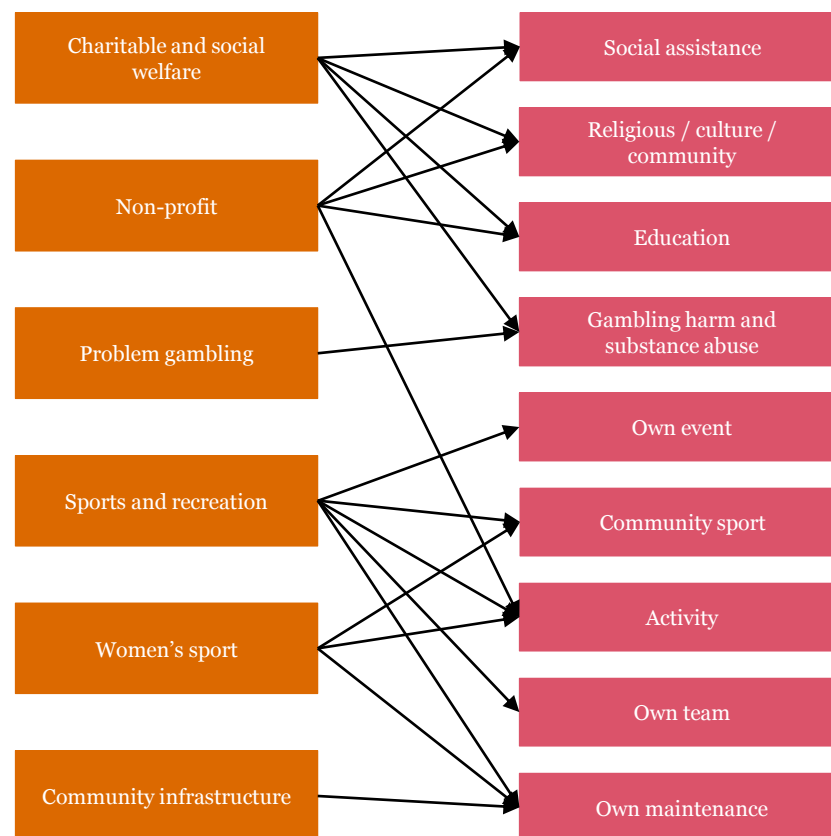
These measurement categories were developed to group contributions together that have similar types and scales of impacts. This mapping was informed both by the 'beneficiary' (and research in to the type and purpose of that organisation) and 'purpose' reported by the club.

Specifically, the measurement categories are designed to:

- **Group activities with like impacts together** – for example, contribution to a community chess club could be in non-profit or sport and recreation in the reporting categories, meaning potential separation of equivalent contributions.
- **Identify contributions that may be a primary purpose of the club** – by individually mapping each contribution to a measurement category, it is easy to identify contributions that are clearly being managed internally by the club (as opposed to lump sums to external organisations) and therefore may go to its core operations.
- **Identify contributions that may not be incremental** – by individually mapping each contribution, the measurement categories group together contributions depending on their likelihood to occur in absence of the Scheme existing. This is not possible to determine for sure but certain contributions are more likely to always exist than others.

These measurement categories are shown below and detailed in the following pages. The mapping of the reporting categories to the measurement categories is shown to demonstrate how much diversity the reporting categories can include.

Mapping of reporting categories to measurement categories



Definition of measurement categories

As described previously, in defining these measurement categories, we considered which kind of contributions would have a similar impact to the community so they can be quantified together. Categories can have overlap, and so for certain contributions a judgement was made for where they best fit. To assist in gaining better understanding of the categorisation, a lists of the types of contributions that fall into each measurement category has been created. The type of expected impacts flowing from each category are also included. These were compared to the impacts measured in public studies of analogous programs (detailed in Appendix A) in the process of quantifying total impact.

| Measurement category | Description of measurement category | Type of expected impacts |
|-----------------------------------|---|--|
| Activity | <p>This is defined as contributions to organisations whose purpose is for groups of people to get together for a particular recreation activity, but one that is not physical in nature. This includes support of organisations such as car clubs, fishing clubs, toastmasters, bands and choirs, theatre groups and darts.</p> <p>This category is separate from sports because there is generally less health impacts because of the lack of associated increase in physical activity. Otherwise the impacts of this category are similar to those of community sports.</p> | <p>Increased social network</p> <p>Sense of belonging</p> <p>Improved mental health</p> |
| Community sport | <p>This is all contributions to sporting activities that are managed independently in the community (as opposed to within a club). These contributions are made to organisations and teams as well as scholarships or grants to individuals. These contributions are for a very wide variety of sports and include junior and school aged through to elite individuals or seniors.</p> | <p>Social connectedness</p> <p>Improved mental and physical health</p> <p>Increased well-being</p> <p>Employment and productivity outcomes</p> <p>Healthcare savings</p> |
| Education | <p>These are all contributions made to organisation with an education purpose (whether early years education, school or higher education institution). This excludes any contribution made with a specific sport or recreation purpose, so is just contributions that are assumed to be used for the organisations general education purpose and includes parents and friends associations.</p> <p>Adult education with a more recreation based purpose is included in activity.</p> | <p>Employment and earning potential</p> <p>Personal development</p> <p>Social connectedness</p> |
| Gambling harm and substance abuse | <p>This is defined as contributions that are made with the aim of reducing the impact or incidence of harm from gambling or substance abuse. This is mostly made up of contributions in the current reporting category of problem gambling but also includes any contributions that are addressing drug or alcohol abuse due to the similar impacts.</p> <p>Although this is a specific aim of social welfare that may have been able to be included in the broad category of social assistance, it is kept separate due to the specific nexus to the policy of the Scheme.</p> | <p>Improved relationships with family and friends</p> <p>Increased community safety and well-being</p> <p>Healthcare savings</p> |

Definition of measurement categories (cont.)

| Measurement category | Description of measurement category | Type of expected impacts |
|---------------------------------|---|--|
| Own event | This is expenditure made by the club to host events that are open to the community. Examples include sporting fetes, Christmas parties (not hosted for a particular charity) or hosting visiting art or cultural exhibitions. | Increased social network |
| Own maintenance | This is expenditure made by the club for the maintenance, upkeep and management of infrastructure, generally sporting fields and greens. To be eligible as a community contribution this infrastructure must be accessible to the public, but is generally club owned and operated. Expenditure includes utilities, wages for groundskeepers, ground vehicles and general repairs. | This acts as an enabler to achieving sporting impacts |
| Own team | <p>Like community sport, this is contributions made for the purpose of supporting a sports team. However, this is distinguished from community sport because these contributions are administered within the club (as opposed to a lump sum to an external organisation) indicating that the team is managed internally. This category also includes sponsorship of a national professionalised league. Expenditure includes payments to coaches and individual players, medical expenses, team transport and consumables.</p> <p>These are separated from community sport because although the types of impacts are likely to be the same, the incremental and identified need considerations are different.</p> | <p>Social connectedness</p> <p>Improved mental and physical health</p> <p>Increased well-being</p> <p>Education</p> <p>Employment</p> <p>Healthcare savings</p> |
| Religious / culture / community | <p>This is contributions for organisations that are set up for a group of people to get together because of a shared culture, community, religion or profession.</p> <p>This is distinguished from activity for two reasons. Firstly, it is similar to activity but there is likely to be deeper connection and support benefits from a group that is defined by who they are, rather than a shared interest. Secondly these groups often conduct their own community or social welfare activities, so they are similar to social assistance, even though the primary purpose is membership based. However, compared to social assistance, there is likely to be direct benefits to members conducting the social work, distinguished from charities or non-profits with staff.</p> | <p>Increased social networks</p> <p>Increased self confidence and self esteem</p> <p>Reduced stress</p> <p>Reduced domestic violence</p> <p>Decreased chance of substance abuse and crime</p> |
| Social assistance | This is contributions made to organisations whose main purpose to conduct charitable social assistance work (rather than primary purpose as being membership based). This is the most broad measurement category in terms of expected impacts because they will be so dependent on the type of work the particular organisation does. | <p>Improved mental and physical health</p> <p>Reduction in crime</p> <p>Increased confidence / resilience</p> <p>Reduced suicide</p> <p>Sense of belonging</p> <p>Earning potential</p> <p>Relationships</p> |

The quantification approach

With all the input data mapped to impacts, to complete our impact analysis we:

- assessed each measurement category in terms of the key issues of identified need, incremental impact and local connection
- assigned each measurement category a quantification ratio of expected returns from those types of impacts
- made adjustments for in-kind contributions.

Identified need

Although an identified need was raised in stakeholder consultation as a requirement for impact, a need to be addressed can be an imprecise concept. Some things, such as level of physical activity or social connectedness, might not be so low as to show a clear need (i.e. in level of obesity or mental health issues), but increasing them will still have a measurable impact. Because of this all but one of the measurement categories are deemed to be addressing some level of identified need (as outlined in Appendix D).

The one exception is own event as these contributions are completely decided within the club with no nexus to the community need. However, own event is less than one per cent of contributions so excluding these from impact assessment is not a significant adjustment to total impact.

Although almost all contributions are deemed to be addressing an identified need, it should be acknowledged that needs can be prioritised, as illustrated by the current adjustments available for women's sport and problem gambling. As such, findings have been outlined in Section 5 as to how contributions could be more aligned with community priorities.

Incremental impact

Only the contributions that will have an impact that otherwise would not have been realised should be considered. This includes contributions that would otherwise have to be funded by government or another means. This is not necessarily straight-forward as many for-profit organisations make charitable donations or conduct other activities in their communities in the absence of such a scheme acting on them. Additionally, the fact that clubs (on average) contribute above the legislatively required amount may indicate that the Scheme is not the only factor in the decision to make contributions.

Without evidence to establish other drivers, all of the measurement categories of contribution that are administered outside of the club are deemed to be incremental. However, closer consideration is required of own maintenance and own team categories to assess if they are incremental. Own maintenance is deemed to not be induced by the Scheme at all, because although these contributions meet a need of having community accessible infrastructure, they are required for the club to up-keep their own infrastructure and would occur regardless of the Scheme. This incremental assessment is also backed up by the fact that clubs report this up-keep as a contribution but can also report in-kind use of this infrastructure as a contribution.

Own team is harder to determine as incremental or not, because, as part of some clubs primary purpose, it is likely to occur in absence of the Scheme, but perhaps to a different extent. This is unlike maintenance where a certain level of expenditure is required for a particular asset. Supporting their own team to a higher level than otherwise is likely to be induced by the club having to meet Scheme reporting requirements. As such, we have represented this uncertainty in our results by considering the impact of own team contribution in a range of 0-100 per cent of the impact to an identical organisation not associated with the club.

The quantification approach (cont.)

Local connection

From the input data available, it was difficult to establish whether impacts are local or not, especially with respect to monetary contributions that could flow anywhere. Another difficulty, as discussed in consultation, is that there are many ways to define local. For Social Impact Assessments (a requirement when applying for, or relocating, EGMs) a radius of 3km is used, however the proximity of clubs in the ACT allows for individuals to have a strong connection with clubs outside this radius.

Therefore, for the purpose of this report, all contributions are assumed to have a sufficiently strong local connection. This is reasonable in the absence of other information given that:

- over a quarter of contributions are in-kind which means they are by definition delivered locally
- to receive a community contribution requires some level of dialogue, and therefore connection, with the club.

The potential to increase this connection is explored in Section 5.

Social return on investment ratios

Social return on investment (SROI) analysis is a common way of quantifying impact. A best practice SROI analysis places a monetary value on a wide range of impacts (social, economic, health, and other) across the full range of stakeholders (individuals, relevant groups, government, the broader community, etc.).⁶ The figure to the right illustrates the full range of impacts measured in SROI analyses. An example SROI analysis, including details of what impacts are measured and how they are measured, is provided in Appendix B.

As discussed, to quantify the impacts we have mapped from the community contributions, we would ideally use an SROI analysis. However, conducting an SROI analysis requires conducting surveys and collecting data from a wide range of beneficiaries, which was outside the scope of this task. We explored a number of alternative ways to quantify impact, and utilising the SROI framework through publicly available proxies was determined to be the most realistic and practical.

We have investigated publicly available SROI assessments that map similar impacts to our measurement categories. Each of the categories has been assigned a SROI proxy that best quantifies the range of impacts applicable to that category. The SROI proxies consider impacts across all four broad buckets detailed below. See Appendix A for details of our research and the next page for particular estimates we have chosen for our quantification.

It should be noted that the SROI analyses considered report the gross impact of an investment, that is, they do not consider the potential associated costs. This is reasonable for this analysis of looking at total impact to the community, disregarding the cost to clubs.

Impacts considered in a best practice SROI analysis



⁶ Social Ventures Australia (2012) *Social Return on Investment: Accounting for value*, available at <<http://www.socialventures.com.au/sva-quarterly/social-return-on-investment-accounting-for-value/>>

The quantification approach (cont.)

Quantifying the impact of in-kind contributions

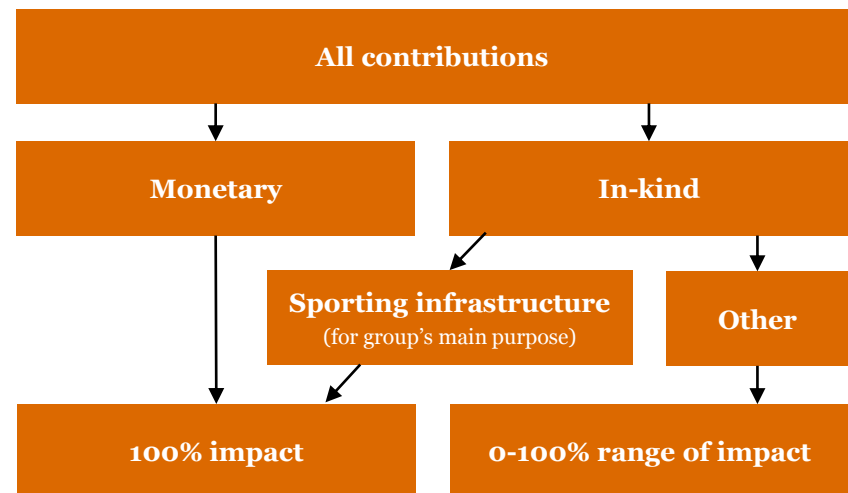
In-kind contributions are treated the same as cash contributions in terms of their mapping to measurement categories. However, the impact of an in-kind contribution is treated differently to the impact of a cash contribution in the following scenarios:

1. In-kind hire of sporting infrastructure (eg. fields, courts, green fees) to groups whose main purpose requires use of that facility is considered to have the same impact as a monetary donation of that size – it is a fair assumption that these groups would have to be paying for these facilities in the absence of the in-kind contribution, because otherwise they would not be serving their main purpose. An example of a contribution included in this category is the in-kind hire of a bowling green to a bowls club. A gift voucher for a game of bowls donated as a prize for a trivia night is not included.
2. All other in-kind contributions are considered as a range of 0-100 per cent of the impact of a monetary contribution of the same value to the same beneficiary – it is difficult to judge the value of most other in-kind contributions to a beneficiary. For example, when a club gives free room hire to an organisation, if the organisation was going to hire the room anyway this in-kind contribution is comparable to a monetary contribution, however if the organisation otherwise would have met in a free space then the in-kind contribution has less incremental impact than a monetary contribution of that value. This is just one example, but the assumption has been made that the impact of all in-kind contributions that do not fit into scenario 1 are similarly difficult to measure, and so will be dealt with using this conservative approach.

It should be noted that only 9 per cent of in-kind contributions in 2015-16 were sporting infrastructure related, so the treatment of all other in-kind contributions has a more significant influence on the total community impact estimates.

Vouchers for redemption at the club themselves, although generally reported as monetary contributions, have been treated as in-kind contributions under the second scenario because the same unknown value to beneficiaries applies. Although it is also true that the cost of in-kind contributions to the donating club is likely to be less than the commercial value (i.e. the opportunity cost of donating room hire that would be empty anyway is nil), because the focus is on impact to beneficiaries, this is not a valid consideration.

The impact of in-kind contributions



Allocation of SROI proxies

The table below assigns an SROI proxy to each of the measurement categories. This was done based on analysis of publicly available SROI reports analysing organisations or programs – these reports are detailed and referenced in Appendix A. In choosing the most appropriate proxy, a focus was placed on the impacts that the SROI analysis considered and how they covered the typical impacts of the contributions in that measurement category. As is best practice for SROI analysis, conservative estimates were chosen where possible.

It should also be noted that although SROI is an effective tool for measuring the value of a program or investment, using SROI as a benchmark for comparing different programs with each other is generally not advisable, since the range of variables is usually too great to make such comparisons meaningful.⁷ Therefore, the proxies chosen are not meant to imply one category should be preferred, but rather to estimate the quantum of the total impact of the Scheme.

| Category | SROI proxy | Explanatory notes |
|-----------------------------------|-----------------------------|--|
| Activity | 1 : 1.91 | This proxy is Sheffield Hallam University's Social Return on Investment in Sport. Although that report is in regards to community sport, proxies for activities were difficult to find or deemed inappropriate. The chosen one is the lowest of community sport proxies and this is considered appropriate because activities have a similar range of impacts to sport, excepting the level of physical health benefits. |
| Community sport | 1 : 4.4 | This proxy is La Trobe University's Value of a Community Football Club and is chosen due to the reliability of the method and range of impacts. It is placed in the middle of all community sport proxies considered that had a range of 1 : 1.91 – 1 : 7.6. |
| Education | 1 : 2.7 | This proxy is NAB's Indigenous school-based traineeships. Although this is education for a specifically vulnerable group, it was considered appropriate to the range of impacts examined, yet still quite conservative result. It is at the conservative end of the range of education proxies considered of 1 : 1.4 – 1 : 10.98. |
| Gambling harm and substance abuse | 1 : 1.79 | This proxy is an SROI of The Living Room – supporting people to overcome behavioural and substance addictions. It is chosen due to the range of impacts considered, yet conservative approach. It is at the lower end of the 1 : 1.79 – 1 : 2.9 range of gambling harm and substance abuse proxies. |
| Own event | - | It is assumed that all spending on own event does not meet an identified need, and so this has no community impact. |
| Own maintenance | - | It is assumed that all spending on own maintenance will occur anyway, and therefore this has no incremental community impact. |
| Own team | 1 : 4.4 (0 – 100% range) | This proxy is La Trobe University's Value of a Community Football Club. Own team sport uses the same proxy as community sport but the impact is considered as a range from 0-100 per cent of the impact of community sport, as it is difficult to judge whether the contribution to an 'own team' would be paid regardless of the existence of the Scheme. |
| Religious / culture / community | 1 : 3.5 | This proxy is South Australian Centre for Economics Studies Community and Neighbourhood Centres Sector Impact Study and is chosen as it covers a broad range of impacts, yet is conservative. The religious/culture/community proxies considered range in value from 1 : 1.94 to 1 : 19.2. |
| Social assistance | 1 : 3.23 | This proxy is Australian Red Cross' telephone-based social support and is chosen as it covers a broad range of impacts, yet is conservative. The social assistance proxies considered range in value from 1 : 1.4 to 1 : 8.4, clustering around 1 : 3 to 1 : 5. |

⁷ Social Ventures Australia (2012) *Social Return on Investment: Accounting for value*, available at <<http://www.socialventures.com.au/sva-quarterly/social-return-on-investment-accounting-for-value/>>

Section 4

Community contribution impact results

Comparison of contributions by categorisation

As previously discussed, contributions were re-categorised from reporting categories to measurement categories for this impact analysis. The tables below allow for a comparison of the contribution amounts in each of those categorisations. Interestingly, whilst almost all of community infrastructure maps to own maintenance, the large increase in community infrastructure in 2015-16 is not seen in own maintenance. This means it is less likely a change in what clubs are actually contributing and actually a change in how they are reporting it. Another point to note is that only a small part of the large decrease in gambling harm and substance abuse in 2015-16 is attributable to problem gambling, so there must be a large deduction in contributions to gambling harm and substance abuse that were from either charitable and social welfare or non-profit.

| | 2013-14 | 2014-15 | 2015-16 |
|-------------------------------|-------------------|-------------------|-------------------|
| Charitable and social welfare | 1,042,817 | 1,064,680 | 1,026,096 |
| Problem gambling (unadjusted) | 57,691 | 63,077 | 53,637 |
| Sports and recreation | 8,154,805 | 7,449,121 | 6,609,600 |
| Women's sport (unadjusted) | 459,099 | 333,793 | 267,062 |
| Non-profit activities | 1,638,743 | 1,735,734 | 1,893,556 |
| Community infrastructure | 51,134 | 65,628 | 772,987 |
| Total contributions | 11,404,289 | 10,712,033 | 10,622,938 |

Source: GRC Annual Community Contribution Reports (includes clubs & hotels/taverns, PGAF has been removed, problem gambling and women's sport converted to unadjusted values).

Note: The disparity in the total contributions is due to the difference of data sources used to extract the information. PwC was provided with 'working copies' of club reports to enable us to conduct our analysis to the required level of detail. The disparity created from doing this is insignificant in the Scheme of the overall impact analysis.

| | 2013-14 | 2014-15 | 2015-16 |
|-----------------------------------|-------------------|-------------------|-------------------|
| Activity | 846,033 | 679,919 | 800,581 |
| Community sport | 4,368,441 | 4,136,278 | 3,825,408 |
| Education | 89,267 | 96,688 | 89,738 |
| Gambling harm and substance abuse | 355,190 | 366,400 | 60,031 |
| Own event | 90,015 | 58,214 | 79,636 |
| Own maintenance | 1,619,193 | 1,600,722 | 1,871,266 |
| Own team | 2,129,435 | 2,014,692 | 1,855,742 |
| Religious/culture/Community | 394,297 | 482,799 | 377,783 |
| Social assistance | 1,347,314 | 1,371,577 | 1,541,512 |
| Total contributions | 11,239,184 | 10,807,288 | 10,501,695 |

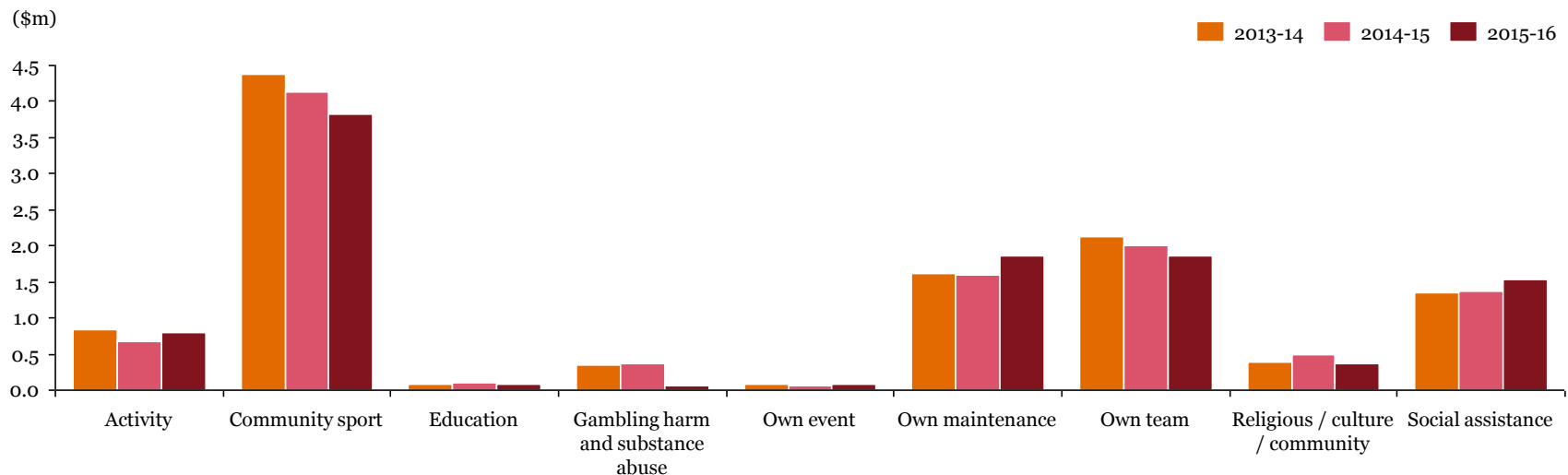
Source: PwC analysis of data from 'working copies' of club reports provided by GRC.

Analysis of contributions by measurement category

The figure below illustrates the trend in contributions by measurement category from 2013-14 to 2015-16. Community sport is by far the largest measurement category in value of contributions. It is more than double the amount of the next biggest category, own team, across each of the three years. Community sport and own team have both shown a decreasing trend over the three years, however. The drop in these contributions are the main reason for the drop in total contributions that has been seen during this period. Other notable trends include:

- The drop in gambling harm and substance abuse contributions in 2015-16. This is largely due the omission of large contributions by particular clubs for the provision of drug and alcohol training.
- Own maintenance contributions had a large increase in 2015-16. This can be attributed to the large increase in community infrastructure contributions in 2015-16, which saw many more clubs claiming fees associated with up-keep of ovals and other sporting facilities.
- The increase in contributions to social assistance in 2015-16. This can be partially attributed to the increase in non-profit contributions, as many of these contributions map to the measurement category of social assistance.

Contributions by measurement category



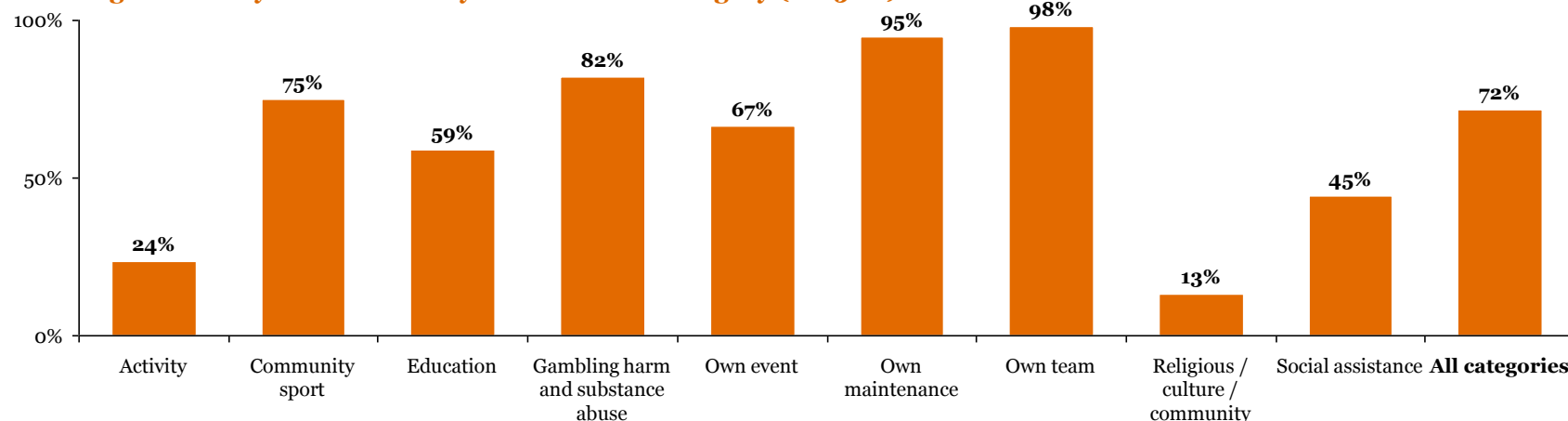
Source: PwC analysis of data from 'working copies' of club reports provided by GRC.

Monetary vs in-kind split across measurement categories

The figure below illustrates the percentage of monetary contributions by measurement category in 2015-16. Monetary vs in-kind split is important to consider because, as discussed previously, the community impact of in-kind contributions is considered as a range of 0 to 100 per cent of the impact of an equivalent monetary contribution. The result of this is that the categories with a larger percentage of monetary contributions will have a smaller disparity between the low and high impact scenarios. Only 2015-16 data has been presented here because the monetary and in-kind split for the previous years was largely consistent with 2015-16. The two exceptions to this was an increase in education from 28 per cent in 2013-14 to 55 per cent in 2014-15, and a decrease in gambling harm and substance abuse from 98 per cent in 2014-15 to 82 per cent in 2015-16. Some notable figures include:

- 24 per cent of activity contributions are monetary. This is indicative of the large amount of room hire contributed to this category. Generally speaking, the nature of organisations in this category is that their main requirements are a place to meet and equipment.
- 13 per cent of religious/culture/community contributions are monetary. This is also largely indicative of the amount of room hire claimed under this category, with the addition of in-kind provision of food and drink for many of these groups. Again, the benefits from these groups is generally in connecting with other members, so their main need is meeting space.
- Own maintenance and own team have a large percentage of monetary contributions at 95 per cent and 98 per cent respectively. The nature of these categories is that there are managed within the club, so the reporting is tracking of their own spending, rather than provision of in-kind contributions to themselves.

Percentage monetary contribution by measurement category (2015-16)



Source: PwC analysis of data from 'working copies' of club reports provided by GRC.

Evaluation of impact on the community

As discussed in Section 3, total community impact (encompassing social, economic, health and other benefits) is calculated by multiplying the total contributions in each measurement category by the chosen SROI proxy for that category. The incremental impact has been measured, or in other words the impact that would be lost or have to be replaced by other sources if the Scheme ceased to exist. The table and graph below illustrate the calculated community impact for 2013-14, 2014-15 and 2015-16 for both a low and high scenario. The decreasing trend in community impact is as expected due to the decreasing trend in contributions.

The low and high scenarios are created by the treatment of the in-kind contributions in all measurement categories and all contributions in the own sport category. The difference attributable to each of these factors is presented in the table below. The increase in difference attributed to in-kind in 2014-15 is reflective of an increase in the percentage of in-kind contributions. The decrease in difference attributed to own team across the three years is explained by the drop in total contributions and also the drop in own team contributions.

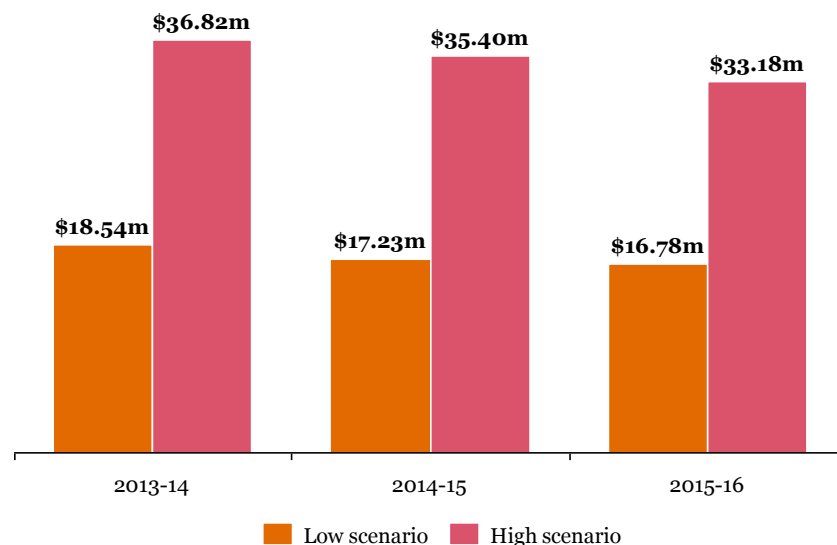
There is a notable drop in overall return on investment for the high scenario in 2015-16. This is reflective of the drop in community sport and own sport contributions, which offer a large return due to the chosen proxy.

| (\$m) | 2013-14 | 2014-15 | 2015-16 |
|-------------------------------------|----------|----------|----------|
| Total community impact (low) | 18.54 | 17.23 | 16.78 |
| Total community impact (high) | 36.82 | 35.40 | 33.18 |
| Difference attributed to in-kind | 9.18 | 9.48 | 8.44 |
| Difference attributed to own team | 9.10 | 8.69 | 7.95 |
| Overall return on investment (low) | 1 : 1.65 | 1 : 1.59 | 1 : 1.60 |
| Overall return on investment (high) | 1 : 3.28 | 1 : 3.28 | 1 : 3.16 |

Note: overall return on investment is a ratio of total contributions to total community impact

Source: PwC analysis of data from 'working copies' of club reports provided by GRC.

Total community impact under the low and high scenarios



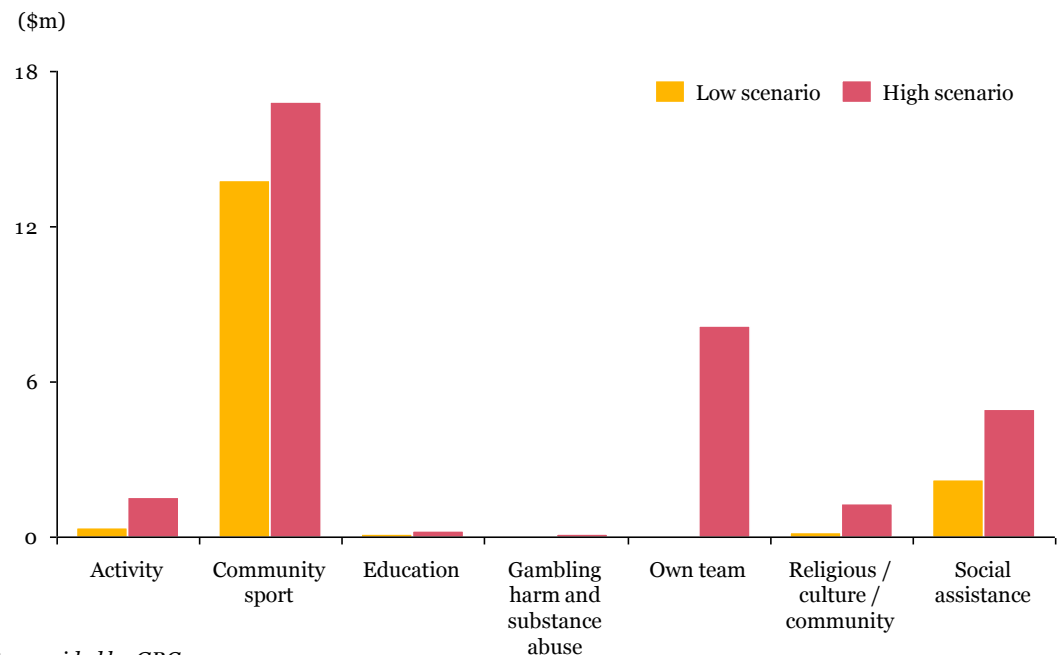
Community impact by measurement category

The table and graph below provide the breakdown of the community impact by measurement category. Only 2015-16 data was included here because the breakdowns showed a very similar trend in the previous years. Some key trends to note are:

- Community sport is the largest impact by a big margin, due to a combination of the large amount of contributions and the large proxy of 4.4 which has been allocated to this measurement category.
- Own team has no impact in the low scenario because of the way this category was dealt with in the approach (i.e. there is uncertainty as to whether the impact is incremental, so this impact is given a 0-100 per cent range).
- Activity and religious/culture/community have a very large disparity between the low and high scenarios. This is explained by the higher percentage of in-kind contributions in these categories.

| | 2015-16 | |
|-----------------------------------|--------------|--------------|
| | (\$m) | |
| | Low | High |
| Activity | 0.36 | 1.53 |
| Community sport | 13.80 | 16.83 |
| Education | 0.14 | 0.24 |
| Gambling harm and substance abuse | 0.09 | 0.11 |
| Own event | - | - |
| Own maintenance | - | - |
| Own team | - | 8.17 |
| Religious / culture / community | 0.17 | 1.32 |
| Social assistance | 2.22 | 4.98 |
| Total | 16.78 | 33.18 |

Community impact by measurement category (2015-16)



Source: PwC analysis of data from 'working copies' of club reports provided by GRC.

Community Contributions Scheme Impact Analysis

PwC

September 2017

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Section 5

Key findings

Key findings

Achieving policy purpose

The analysis under the approach chosen shows that if the policy purpose of the Scheme is to ‘contribute to or support the development of the community’ and ‘raise the standard of living of the community or part of the community’, then the Scheme is delivering that purpose. Our analysis shows that an indicative incremental value of \$16.8 million to \$33.2 million was delivered to the community in 2015-16 by contributions under the Scheme. In other words, this level of impact would be lost (or have to be replaced with alternative programs) if the Scheme ceased to exist.

Ways to ensure that all contributions achieve that purpose

The above shows that the Scheme broadly meets its policy purpose as examined under the approach in this report. Although the approach was set up as a way to quantify the Scheme’s progress towards its policy purpose, it does also highlight where the Scheme could be tightened to allow more potential community benefit.

It is difficult to show the nexus between contributions for a club’s own infrastructure maintenance to an incremental community benefit being delivered under the Scheme. Additionally, the level of community access to that infrastructure is not currently measured. The access may be only for specific times, or at a prohibitive cost. The only data that establishes community access is in-kind contributions of use of the infrastructure, which is captured elsewhere in the Scheme. Similarly, the impact of the club holding their own community events is difficult to illustrate given the lack of connection to identified need and therefore does not pursue the policy purpose.

If own maintenance and events were not included in the Scheme, these may be substituted for contributions in other categories, making the overall community impact and progress towards the policy purpose

greater. However, removing these contributions would still place the total club community contributions above their legislatively required level (disregarding own maintenance and events places total club contributions at about 9 per cent of their NGMR even with women’s sport and problem gambling unadjusted). Therefore, it is also possible that this would not change any behaviour.

It was suggested that it may be more aligned to the policy purpose of the Scheme to require contributions to have a nexus to the local community. However, this is not currently in the stated purpose and would be difficult to articulate the meaning of local and implement in current reporting. Therefore, it is unlikely that this change would have more positive impact than the negative impact of discouraging contributions through increased administrative reporting.

Ways to prioritise purpose

Although all contributions (except a very small amount for club’s own community events) were found to meet an identified need, there could be a stronger nexus to prioritise needs in the Scheme. The possibility for this is shown in the current adjustment factor for problem gambling and women’s sport.

It was suggested in consultations that a similar mechanism could be used to prioritise other purposes that the community particularly needs at a certain time. This could be done by establishing a category for reporting that either has an 4:3 type adjustment or a PGAF type required percentage. The content of that category could be more agile by being linked to ministerial statement that could be made intermittently when there are particular areas of need.

Alternatively the category could be met if a club is able to demonstrate the contribution meets an identified need in another way such as a published community plan which includes public consultation with

Key findings (cont.)

the community on their needs. This means there is no burden of consultation on the club and being able to point to a public document of established need would be a relatively easy reporting mechanism.

It was also suggested that a way to prioritise needs could be a grants system where a central pool of contributions was independently administered based on proof of need rather than on the club's discretion. This would allow contributions to be more targeted, but would limit the ability to achieve the stated policy purpose for two reasons:

- Firstly, the administration on the independent administrator (assumedly government) and the community applicant would be greatly increased. This is likely to shut out smaller organisations without the resources to pitch for a grant. One of the benefits of the current Scheme in achieving its purpose is the administration on the beneficiary is low and they can directly engage with their local club (although the understanding of that access may not be high in community organisations).
- Secondly, this would only be able to exist for monetary contributions and would remove the in-kind contributions. Whilst we were conservative in measuring the impact of in-kind contributions, it is known that they are of some value to the beneficiaries, as the same organisations can be seen to be using them across multiple years. In-kind contributions are also likely to be lower in cost to clubs than the market value, so are valued from both sides of the interaction.

Ways to better illustrate the community impact

Minor changes in reporting could help articulate the community impact more. In particular, the reporting categories could be changed to be more illustrative of need and impact. The current categories do not add a great deal of value compared to just reporting totals.

Additionally, in public reporting, unadjusted numbers for problem gambling and women's sport should be used (instead of the currently reported numbers that are the 4:3 adjusted numbers). This is more indicative of the contributions actually going to the community.

Overall, stakeholders suggested that more could be done in the public articulation of the benefits. This would have the dual benefit of holding the clubs more accountable to their communities about the contributions they make and making more community organisations aware that they could be accessing these contributions. Additional levels of reporting on the clubs is not recommended, but the current reporting contains a wealth of information that is not widely understood or communicated.

Ways to better measure the community impact

There is currently no *ex post* assessment of the impact of the Scheme. This report was conducted with the aim to begin to address that, but is limited by the fact that the available data is all inputs focussed. Developing outcomes and impact data through engagement with beneficiaries of the Scheme would be very valuable in the ongoing monitoring of the Scheme. However, it is acknowledged that this is a resource intensive exercise, even to just examine parts of the Scheme.

Finally, it was brought up in consultations that measurement should include consideration that many of these contributions will include a positive impact back to the club (i.e. in-kind room hire means patrons are more likely to spend their own money on food and beverage at the club once they are already inside). However, this does not reduce the actual impact that these contributions have and was not deemed a relevant requirement for our measurement approach, or as a consideration that impacts how the Scheme is meeting its policy purpose.

Appendices

Appendix A: Publicly available SROI research

The tables in Appendix A provide a list of studies that conduct an SROI analysis of an organisation or program. Best practice SROI studies quantify social, economic, health and other impacts by collecting data/proxies from a wide range of beneficiaries on the value that they gain from the particular organisation or program. The tables detail the types of impacts examined in the study, the measurement category that the study broadly fits under and the calculated SROI.

| Report Name | Organisation or program examined | Types of impacts examined | Measurement category | SROI |
|---|--|---|-----------------------------------|----------|
| Australian Red Cross <i>"Value for money?" – Measuring Telecross social support outcomes</i> ⁸ | Australian Red Cross – telephone-based social support | Participants Family members Volunteers | Social assistance | 1 : 2 |
| Catholic Family Service <i>Social Return on Investment Case Study – Families and Schools Together</i> ⁹ | Families and Schools Together – a program aimed at enhances parents' ability to be tuned in to their child's development | Reduced stress on family and child Stronger parental bond Reduced domestic violence Decrease chance of substance abuse and crime Better health for child and parents | Religious/culture /community | 1 : 1.94 |
| Fifteen London <i>Social Return on Investment Analysis</i> ¹⁰ | Fifteen London – apprenticeship programs for young people | Apprentice – employment, social skills, financial literacy, reduced risk of illness, improved relationships Families – improved family life Children – improved life and career chances Community – social connectedness, reduced crime/homelessness | Social assistance Education | 1 : 3.5 |
| Generosity Mag <i>Women's Property Initiatives: Measuring Social Return on Investment</i> ¹¹ | Women's Property Initiatives – provides permanent homes for single women and children | Increased physical and mental health Social participation Better family relationships Reduced homelessness Reduced welfare | Social assistance | 1 : 11 |
| Social Ventures Australia <i>Social Return on Investment – Triple Care Farm</i> ¹² | Triple Care Farm – residential rehabilitation and treatment program for young people | Individual Families Government | Gambling harm and substance abuse | 1 : 2.9 |

⁸ Australian Red Cross (2015) *"Value for money?" – Measuring Telecross social support outcomes*, available at <<https://www.aag.asn.au/documents/item/844>>

⁹ Catholic Family Service (2007) *Social Return on Investment Case Study – Families and Schools Together*, available at <http://www.cfs-ab.org/wp-content/uploads/2016/11/SROI2008_20160720_FST.pdf>

¹⁰ Fifteen London (2010) *Social Return on Investment Analysis*, available at <https://issuu.com/fifteen/docs/fifteen_sroi_2011>

¹¹ Generosity Mag (2017) *Women's Property Initiatives: Measuring Social Return on Investment*, available at <http://www.generositymag.com.au/womens-property-initiatives-measuring-social-return-on-investment/>

¹² Social Ventures Australia (2015) *Social Return on Investment – Triple Care Farm*, available at <<http://www.socialventures.com.au/blog/sroi-of-triple-care-farm/>>

Appendix A: Publicly available SROI research (cont.)

| Report Name | Organisation or program examined | Types of impacts examined | Measurement category | SROI |
|--|--|---|---|--|
| Health Innovation Network <i>Quantifying the benefits on peer support</i> ¹³ | Dementia support groups | Reduction in isolation and loneliness Feeling of stimulation Increase wellbeing and sense of purpose Sense of identity Feeling part of a community Increased physical health | Social assistance Religious/culture /community | 1 : 1.17 – 5.18 |
| Institute of Sport, Exercise and Active Living, Victoria University <i>Community Benefits of Victorian Aquatic and Recreation Centres</i> ¹⁴ | Aquatic and recreation centres | Healthcare savings Social capital – friendship, trust, safety, diversity | Community sport Activity | 1 : 7.6 |
| Intentionality Community Interest Company <i>Evaluation of The Living Room</i> ¹⁵ | The Living Room – supports people to overcome behavioural and substance addictions in the UK | Reduced welfare payments Reduced crime Improved relationships with family and friends | Gambling harm and substance abuse | 1 : 1.79 |
| La Trobe University <i>Value of a Community Football Club</i> ¹⁶ | Community football club | Social connectedness Education Employment Increased well-being Improved mental health | Community sport Activity | 1 : 4.4 |
| NAB <i>Social Return on Investment Assessment</i> ¹⁷ | NAB – Indigenous school-based and full-time traineeships | Employment and earning potential – job satisfaction, future income Personal development – confidence, self-esteem, social interaction Financial literacy – understanding will have benefits throughout life Indirect impacts to family and friends | Social assistance Education | 1 : 2.7 (school-based) 1 : 3.14 (full-time) |

¹³ Health Innovation Network (2015) *Quantifying the benefits on peer support*, available at <<http://www.hin-southlondon.org/news/dementia-sroi-report>>

¹⁴ Institute of Sport, Exercise and Active Living, Victoria University (2014) *Community Benefits of Victorian Aquatic and Recreation Centres*, available at <<http://www.alfaleisure.org.au/wp-content/uploads/2015/12/Vic-Uni-2014-04-29-ARC-final-report.pdf>>

¹⁵ Intentionality Community Interest Company (2016) *Evaluation of The Living Room*, available at <<http://livingroomherts.org/wp-content/uploads/2010/11/TLR-Evaluation-Report-Intentionality-CIC-Oct-2016.pdf>>

¹⁶ La Trobe University (2015) *Value of a Community Football Club*, available at <<http://www.aflvic.com.au/wp-content/uploads/2015/02/Latrobe-Value-of-a-Community-Football-Club-Final-PDF.pdf>>

¹⁷ NAB (2014) *Social Return on Investment Assessment*, available at <https://www.nab.com.au/content/dam/nabrdw/About-Us/corporate-responsibility/docs/140819_indigenous-employment-sroi.pdf>

Appendix A: Publicly available SROI research (cont.)

| Report Name | Organisation or program examined | Types of impacts examined | Measurement category | SROI |
|---|---|--|---|-----------|
| Lifeline <i>Research Study Established the Value of Lifeline Online Chat Service</i> ¹⁸ | Lifeline - online chat service | Reducing suicidality Improving sense of belonging Increases ability to deal with crisis | Social assistance | 1 : 8.4 |
| NEF Consulting <i>Refuge: A Social Return on Investment Evaluation</i> ¹⁹ | Refuge – support of survivors of violence against women in the UK | Reduction in healthcare costs Reduction in benefit payments Increased economic productivity Increased mental health / well-being Personal safety Family relationship | Social assistance | 1 : 4.94 |
| Quality Matters <i>Mojo – Creating Male Space</i> ²⁰ | Program for unemployed men experiencing mental health distress | Improved mental health Ability to attend training Reduction in self-harm Improved physical health Reduction in isolation from family and friends Indirect effects to family, friends, organisations involved, broader society | Social assistance | 1 : 4.6 |
| Resourceful Communities <i>Forecast Social Return on Investment Analysis – Strong Culture, Strong Community Program</i> ²¹ | Strong Culture, Strong Community program – youth programs at Narrogin Senior High School (WA) | Increased confidence Stronger friendships Increased attendance to school Increased resilience in the community Improved perception of aboriginal people | Religious/culture /community Education | 1 : 18.58 |
| School of Social and Political Sciences, University of Melbourne <i>Evaluation of the Tech Savvy Seniors Program (NSW)</i> ²² | Tech Savvy Seniors Program | Increased knowledge Increased confidence Connect with family and friends Support community involvement Access to more information and services | Education | 1 : 10.98 |

¹⁸ Lifeline (2014) *Research Study Established the Value of Lifeline Online Chat Service*, available at <<https://www.lifeline.org.au/about-lifeline/media-centre/media-releases/2014-articles/research-study-establishes-the-value-of-lifeline-online-chat-service>>

¹⁹ NEF Consulting (2016) *Refuge: A Social Return on Investment Evaluation*, available at <<http://www.refuge.org.uk/files/Refuge-SROI-report-July-2016-final.pdf>>

²⁰ Quality Matters (2105) *Mojo – Creating Male Space*, available at <<http://www.mojo.ngo/wp-content/uploads/2015/03/Mojo-SROI-final-report-wcover.pdf>>

²¹ Resourceful Communities (2016) *Forecast Social Return on Investment Analysis – Strong Culture, Strong Community Program*, available at <<http://www.canwa.com.au/wp-content/uploads/2016/05/CAN-SCSC-SROI-Summary-Report-o8o12o15.pdf>>

²² School of Social and Political Sciences, University of Melbourne (2014) *Evaluation of the Tech Savvy Seniors Program (NSW)*, available at <<https://www.telstra.com.au/content/dam/tcom/about-us/community-environment/pdf/tech-savvy-seniors-summary.pdf>>

Appendix A: Publicly available SROI research (cont.)

| Report Name | Organisation or program examined | Types of impacts examined | Measurement category | SROI |
|---|--|--|---|----------|
| Sheffield Hallam University <i>Social Return on Investment in Sport</i> ²³ | SROI of participation in sport in England | Reduced risk of illness Improved mental health / well-being Reduction in crime Improved education performance | Community sport | 1 : 1.91 |
| Social Ventures Australia <i>Fundamental principles for youth employment</i> ²⁴ | STREAT – provides life skills, support networks, work experience and training to young people | Improved mental health and wellbeing Reduction in crime and drug and alcohol intake Increased confidence / resilience Increased income | Social assistance | 1 : 1.4 |
| Social Venture Australia <i>Helping Hand and Linking Youth – Forecast Social Return on Investment full report</i> ²⁵ | Helping Hand and Linking Youth – intensive case management to Aboriginal youth | Increased self-esteem Increased engagement in meaningful activity More positive connections to others Reduced crime and incarceration Reduction in anti-social behaviour Improved perceptions of young people | Social assistance | 1 : 6 |
| Social Ventures Australia <i>Rural Women's Gathering Social Return on Investment</i> ²⁶ | Rural Women's Gathering – an event to provide rural women with support, information and skills | Reduced social isolation Increased self-confidence Relaxation and reflection time Develop skills or hobbies Community connection Increase income for local businesses | Religious/culture /community | 1 : 2.2 |
| South Australian Centre for Economic Studies <i>Economic and Social Impact Study: Community and Neighbourhood Centres Sector</i> ²⁷ | Community and neighbour centres | Social networks Professional contacts Peer relationships Life and personal experiences Spill-over effects on community | Religious/culture /community Social assistance | 1 : 3.5 |

²³ Sheffield Hallam University (2016) *Social Return on Investment in Sport*, available at <http://www4.shu.ac.uk/_assets/pdf/research/sirc/Final-SIRC-SROI-England-Web-report.pdf>

²⁴ Social Ventures Australia (2016) *Fundamental principles for youth employment*, available at <<https://cica.org.au/wp-content/uploads/Fundamental-principles-for-youth-employment-report-FINAL.pdf>>

²⁵ Social Venture Australia (2014) *Helping Hand and Linking Youth – Forecast Social Return on Investment full report*, available at <https://www.pmc.gov.au/sites/default/files/publications/indigenous/Helping-Hand-and-Linking-Youth/pdf/Helping_Hand_and_Linking_Youth_SROI_Report_PDF.pdf>

²⁶ Social Ventures Australia (2015) *Rural Women's Gathering Social Return on Investment*, available at <http://archive.dpi.nsw.gov.au/_data/assets/pdf_file/0008/566684/RWN-Womens-Gathering-Social-Return-on-Investment.pdf>

²⁷ South Australian Centre for Economic Studies (2013) *Economic and Social Impact Study: Community and Neighbourhood Centres Sector*, available at <https://www.adelaide.edu.au/saces/docs/publications-reports/economicandsocialimpactstudy-communityandneighbourhoodcentressectornovember2013.pdf>>

Appendix A: Publicly available SROI research (cont.)

| Report Name | Organisation or program examined | Types of impacts examined | Measurement category | SROI |
|--|--|--|------------------------------|----------------------------------|
| University of Notre Dame <i>Social Return on Investment: A Case Study of a Community NGO in Sydney</i> ²⁸ | Daystar's Breakfast Club and Literacy Buddies – providing breakfast and learning to children | Reduced obesity, improved health/lifestyle Decreased misbehaviour at school Increased school completion rate Increased participation in sport Reduced crime | Social assistance | 1 : 7.54 |
| Volunteer Family Connect <i>The Social Return on Investment for a Community-Based Volunteer Home Visiting Program</i> ²⁹ | Volunteer Family Connect – volunteer home visiting program | Volunteer – fulfilment, social relationships, confidence Families – relationships, physical health, child behaviour, social competence Community – greater connectedness, networks | Social assistance | 1 : 3.23-5.12 |
| Women's Support Network <i>Social Return on Investment Pilot Reports: Ardoyne Women's Group & Women's Information Northern Ireland</i> ³⁰ | Women's Community Groups | Increased social activities Increase in friendships Increased self confidence and self esteem Improved family relations | Religious/culture /community | 1 : 3.64 1 : 12.16 |
| Women's Support Network <i>Social Return on Investment Pilot Reports: Falls Women's Centre, Shankill Women's Centre, Windsor Women's Centre</i> ³¹ | Women's Community Groups | Increased confidence and self esteem Increased opportunities Accessibility to a range of other services Increased lifestyle opportunities Employment opportunities | Religious/culture /community | 1 : 19.2 1 : 17.5 1 : 3.93 |
| World Vision Australia <i>Social return on investment: Reaching across the 'language of value' boundary</i> ³² | Building economic prosperity for farmers and families in Indonesia | Extra income Empowerment and confidence New skills Interact more efficiently with buyers | Social assistance | 1 : 4.4 |

²⁸ University of Notre Dame (2009) *Social Return on Investment: A Case Study of a Community NGO in Sydney*, available at <http://researchonline.nd.edu.au/cgi/viewcontent.cgi?article=1022&context=bus_conference>

²⁹ Volunteer Family Connect (2017) *The Social Return on Investment for a Community-Based Volunteer Home Visiting Program*, available at <<http://childaware.org.au/wp-content/uploads/sites/3/2017/06/01-Rebekah-Grace-Les-Hems.pdf>>

³⁰ Women's Support Network (2011) *Social Return on Investment Pilot Reports: Ardoyne Women's Group & Women's Information Northern Ireland*, available at <https://www.wsn.org.uk/sites/default/files/publications/WSN%20SROI%20Reports_AWG_WINI_FINAL_Aug11.pdf>

³¹ Women's Support Network (2011) *Social Return on Investment Pilot Reports: Falls Women's Centre, Shankill Women's Centre, Windsor Women's Centre*, available at <https://www.wsn.org.uk/sites/default/files/publications/WSN_SROI%20Reports_Falls_Shankill_Windsor_FINAL_Aug11.pdf>

³² World Vision Australia (2015) *Social return on investment: Reaching across the 'language of value' boundary*, available at <<https://www.aes.asn.au/images/stories/files/conferences/2015/presentations/051100/92ACrawford.pdf>>

Appendix B: Example SROI analysis

La Trobe University's Value of a Community Football Club

'For every \$1 spent on a community football club, there is at least \$4.40 return in social value'

SROI = social benefits + economic benefits + health benefits + community benefits

| Social Outcomes | Economic Outcomes |
|--|---|
| <ol style="list-style-type: none"> 1. Football clubs provide an environment where people are more socially connected at every age group compared to other Victorians. 2. Football clubs provide club members greater social support than through their other social networks. 3. Football clubs help people develop skills in public speaking, decision making and conflict resolution. | <ol style="list-style-type: none"> 1. Football clubs create direct employment opportunities for their communities. 2. Football clubs are large consumers within their own communities, supporting local businesses such as bakeries, cafes, hotels, butchers, restaurants and local trades people. 3. The average community football club in Victoria makes an annual economic contribution of \$630,000. |
| Health Outcomes | Community Outcomes |
| <ol style="list-style-type: none"> 1. Football clubs are important and effective vehicles for delivering health and safety campaign messages for young people. 2. Individuals associated with a football club have a greater level of self-reported wellbeing at every age group compared to a sample of the Victorian population. 3. Individuals associated with a football club have higher levels of self-reported physical and mental health at most age groups compared to a sample of the Victorian population. | <ol style="list-style-type: none"> 1. Football clubs are increasingly engaged with their communities, delivering a range of services (e.g. school holiday clinics, health awareness programs) 2. For every 1 player, football clubs reach 10 people in their community, generating increased civic pride. 3. Sponsors typically support community football clubs to assist them deliver community benefits rather than for commercial gain. 4. Football club leaders, on and off the field, are considered community role models. |

Data collection

There were two stages of data collection:

1. Conducting nine case studies on the activities and outcomes of football clubs in various locations across Victoria developed through 110 in-depth interviews with club and community members
2. A survey sent to all members of AFL Victoria football clubs across the state (with 1677 returned) examining individual health, well-being, trust and social connectedness.

Reach of football clubs



Source: La Trobe University (2015) Value of a Community Football Club, available at <<http://www.aflvic.com.au/wp-content/uploads/2015/02/Latrobe-Value-of-a-Community-Football-Club-Final-PDF.pdf>>

Appendix C: Stakeholder consultation themes

A stakeholder consultation was held with Access Canberra employees. The aim was to hear from those closest to the everyday operations of the Scheme, the subject matter experts, on where they believe the Scheme is having the most impact and how this impact can be measured.

Key discussion points from the consultation included:

- The current categorisation of the contributions has some overlap (particularly charitable and social welfare and non-profit, as well as community infrastructure and sports and recreation) and therefore does not have a lot of meaning in reporting.
- The 4:3 incentive for problem gambling and women's sport had an initial impact on contributions but is now outdated and there could be more appropriate areas to focus on.
- There could be a focus on more 'needy' parts of the community, such as domestic violence. There could be ways to focus this through compulsory contribution by categories.
- There could be a role for government to make funding plans developed every year or two to ensure contributions remain appropriately targeted.
- Sporting clubs able to meet the criteria more easily because they have the connection to the sporting community and particularly their own teams, as it is part of their core business.
- The pros and cons of a grant type Scheme such as in NSW was discussed in that the nexus to identified need is much clearer, but the access to small organisations for contributions such as in-kind room hire would be likely lost.

- Social Impact Assessments (required for applications for additional electronic gaming machines) have lost focus on the social aspect and are always predictive with no follow up after initial submission to assess actual impacts.
- Clubs are not currently required to have any public engagement or consultations to assess what the local community needs. Therefore, they are not currently establishing this connection themselves.
- There is a currently lack of transparency in the system. This means that where contributions are going is not known, but also means that many potential recipients might not know that this is an avenue for them to access support.
- The reporting requirements on clubs and Access Canberra is currently high given that the data is not used.

Several key takeaways from the consultation contributed to the development of the framework used in this report.

- Recipient of contribution needs to have an 'identified need' – largest community impact on those groups that need the money the most and probably would not otherwise get it.
- Recipient needs to be outside the club's primary purpose – look at 'incremental impact', would the payment be made irrespective of the community contribution Scheme?
- Local element – is the community impact being realised in the 'local' area around the clubs, where the effects of the EGMs are most severe?

Appendix D: Identified need analysis

As explored in Sections 2 and 3, examining the community need that a particular contribution purports to meet is helpful in measuring its overall impact. Even if a need in a community may not be immediately obvious, there is not necessarily less impact in having it addressed. The table below shows the community need that each measurement category broadly addresses. This shows that the need may not be direct, but it is present for all measurement categories except own event.

| Measurement category | Need | Evidence of need |
|-----------------------------------|---|---|
| Activity | Interest in particular activity Social connectedness Enriched lives Steady mental health | People investing their own time to organise and participate in any of these particular activities is indication that there is a part of the community that has self-identified a need. Additionally, need for activities is illustrated by the following metrics: <ul style="list-style-type: none"> 1.5 million people in Australia (7 per cent) feel isolated or very isolated ³³ less than a third of Australian's population over the age of 18 have involvement in social or community groups ³⁴ 73 per cent of men and 67 per cent of women experience low levels of distress (a measure of mental health) ³⁵ |
| Gambling harm and substance abuse | Reduction of the costs to society of problem gambling in substance use | Existence of countless programs dedicated to the reduction of addiction costs to society establishes a need. In particular, evidence of addictive behaviours are indicated in: <ul style="list-style-type: none"> In 2016, 17.1 per cent of adults aged 18 years and over consumed more than two standard drinks per day on average, exceeding the lifetime risk guideline ³⁶ In 2016, 15.6 per cent of Australians had used an illicit drug and 2.8 per cent had used a pharmaceutical drug for non-medical purposes ³⁷ In 2014, 20 per cent of adults had gambled on EGM once in the last year and 2 per cent used them once a week or more. Although gambling harm (measured by the Problem Gambling Severity Index) is lower in the ACT than the large east coast states, there is still measureable harm ³⁸ |

³³ The Red Cross (2013) *Social Connectedness Programs Report 2012/13*, available at <http://www.redcross.org.au/files/20131125_Social_Connectedness_Report_LOW_RES.pdf>

³⁴ ABS (2013) *Measure of Australia's Progress - Community connections and diversity*, available at <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/1370.0main+features302013>>

³⁵ ABS (2013) *Measure of Australia's Progress - Health*, available at <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1370.0~2013~Main%20Features~Health~25>>

³⁶ Australian Institute of Health and Wellness (2016) *National Drug Strategy Household Survey 2016 key findings*, available at <<http://www.aihw.gov.au/alcohol-and-other-drugs/data-sources/ndshs-2016/key-findings/>>

³⁷ Australian Institute of Health and Wellness (2016) *National Drug Strategy Household Survey 2016 key findings*, available at <<http://www.aihw.gov.au/alcohol-and-other-drugs/data-sources/ndshs-2016/key-findings/>>

³⁸ ACT GRC (2014) *2014 ACT Gambling Prevalence Study Summary of Findings*, available at <https://www.gamblingandracing.act.gov.au/__data/assets/pdf_file/0004/846904/2014-Survey-on-Gambling,-Health-and-Wellbeing-in-the-ACT-Summary-of-Findings.pdf>

Appendix D: identified need analysis (cont.)

| Measurement category | Need | Evidence of need |
|---------------------------------|--|---|
| Community sport | Increased participation in physical activity Improved health outcomes | Evidence of this needs is illustrated by the following metrics: <ul style="list-style-type: none"> 65 per cent participation rate in recreation and sport in Australia ³⁹ 63 per cent of Australians are overweight or obese ⁴⁰ maximising community engagement is strategic priority 1 in the ACT Government's active 2020 policy document ⁴¹ |
| Education | Productivity growth / progression in society | It is not controversial that education is a broad human right. Evidence of the need comes from the huge amount of investment in education programs all over Australia. |
| Own event | - | It is assumed that all spending on own event does not meet an identified need because the decision to host these events (including when, what sort of event, and target population) is completely decided within the club with no nexus to the community requirements. Additionally, analysis of these contributions shows that these events can appear as a publicity activity for the club and include branded merchandise. |
| Own maintenance | Infrastructure for sporting participation | Evidence of this need is the same as community sport, although the need is slightly further removed in that infrastructure acts as an enabler for existence of and therefore participation in, community sport. |
| Own team | As per community sport | Evidence of this needs is illustrated by the same metrics as community sport. |
| Religious / culture / community | Social connectedness Enriched lives Steady mental health | Evidence of this need is illustrated by the following metrics (same as for activity): <ul style="list-style-type: none"> 1.5 million people in Australia (7 per cent) feel isolated or very isolated ⁴² less than a third of Australian's population over the age of 18 have involvement in social or community groups ⁴³ 73 per cent of men and 67 per cent of women experience low levels of distress (a measure of mental health) ⁴⁴ |
| Social assistance | Reduction of the costs to society of various social issues | Existence of countless programs (i.e. charitable organisations) establishes a need. |

³⁹ ABS (2013) *Measure of Australia's Progress - Enriched Lives*, available at <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1370.0~2013~Main%20Features~Enriched%20lives~32>

⁴⁰ ABS (2013) *Measure of Australia's Progress - Health*, available at <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1370.0~2013~Main%20Features~Health~25>>

⁴¹ ACT Government (2011) *A Strategic Plan for Sport and Active Recreation in the ACT & Region 2011-2020*, available at <https://www.sport.act.gov.au/_data/assets/pdf_file/0006/847869/ACTIVE-2020-Strategic-Plan.pdf>

⁴² ABS (2013) *Measure of Australia's Progress - Health*, available at <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1370.0~2013~Main%20Features~Health~25>>

⁴³ The Red Cross (2013) *Social Connectedness Programs Report 2012/13*, available at <http://www.redcross.org.au/files/20131125_Social_Connectedness_Report_LOW_RES.pdf>

⁴⁴ ABS (2013) *Measure of Australia's Progress - Community connections and diversity*, available at <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/1370.0main+features302013>>

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