

Ballarat Neighbourhood Centre

\$22,737 community value
provided in just 4 days
in COVID-19 restricted settings!

This includes the value of:

Improved quality of life through social connection: **\$3,710**

Volunteer contributions: **\$4,308**

Emergency relief provided: **\$3,409**

Services provided: **\$11,310**

Emergency relief value includes:

- Food and groceries: **\$3,409**

Services value includes:

- Computer/internet usage: **\$20**
- Facilities use or hire: **\$2,000**
- Résumé assistance: **\$180**
- Social enterprise goods and services: **\$7,640**
- Community lunch, frozen or other meals: **\$1,470**

This community value equates to:

\$10.31 for every **\$1** of Neighbourhood House Coordination Program funding
or **\$474.13** for every hour the neighbourhood house was in use.



These values are produced by Neighbourhood Houses Victoria based on data provided by Ballarat Neighbourhood Centre in the 2021 Neighbourhood Houses Survey. Only a limited range of activities where a determinable valuation method exists are included. Data collection commenced on August 2 following the lifting of a state-wide lockdown and ceased on August 5 as Melbourne returned to an enduring lockdown. Restrictions including density limits during the period covered by this report reduced the number of participants and activities.

Employment

In 2021 NH name provided 15.5 full time equivalent positions including 11.1 direct and 4.3 indirect positions.

Other community groups

Provided auspice arrangements for 1 community organisations in 2021 worth: **\$1,928**

Value to communities from selected Neighbourhood House activities

Basis of calculation

The Ballarat Neighbourhood Centre provided more than \$22,737 of value in just four days in August 2021. The information was collected during the early stages of the 'Delta outbreak'. This figure is based on data provided through the Neighbourhood House Survey 2021. Data collection commenced the week following the lifting of a state-wide lockdown on August 2 and ceased on August 5 as Melbourne returned to an enduring lockdown. Restrictions, including density limits, were in place for the period covered by this report, reducing the number of participants and activities.

This figure includes the value of:

- Improved quality of life through social connection: based on **204** participants in programmed activities and volunteering
- Volunteer contributions: based on **82** volunteer hrs
- Improved health through physical activity based on **0** participants in physical activities
- Food and groceries: based on **170 kgs** of food relief provided
- Food vouchers: based on an average of **\$0** of vouchers provided
- Cash/prepaid or gift card: based on **\$0** cash/card value provided
- Bill payments: based on **\$0** of participant bills paid for
- Fuel Vouchers: based on an average of **\$0** of vouchers provided
- Public transport cards: based on average **\$0** of travel cards value
- Internet usage: based on **10 hrs** of individual computer/internet use
- Facilities use or hire: based on **67** hours of room use or hire
- Resume assistance: based on assisting with **6** resumes
- Community lunch, frozen or other meals: based on providing **147** meals
- School aged breakfast programs: based on providing **0** breakfasts
- Childcare provided: based on **\$0** childcare income
- Social enterprise goods and services: based on **7,640** of sales
- 4-year-old kindergarten: based on **\$0** kindergarten income
- Auspicing other organisations: based on auspicing **1** organisations or groups in 2021.

Additionally:

- Community value for every \$1 of Neighbourhood House Coordination Program (NHCP) funding is based on 80% of 40 hours/week of NHCP
- Community value for every hour the Neighbourhood House is in use is based on Neighbourhood House buildings in use for 48 hrs over four days.

Direct and indirect full-time equivalent employment positions created based on **423** hrs total weekly hours of paid employment.

This data represents just a portion of the value from some of the activities provided!

Notes

These values are not reflective of typical activity but are a snapshot of values generated under challenging pandemic conditions. Please refer to the 2019 community value report where possible for a more normal, pre-covid snapshot.

These valuations are based on volume of a limited range of Neighbourhood House activities. The valuations are therefore influenced by organisational income, the mix of activities and population size, with Neighbourhood Houses in rural localities with smaller populations generally expected to generate lower calculable community value. These Neighbourhood Houses however often have high non-calculable value, providing access to services that would otherwise be unavailable locally¹.

The variations in organisations and communities make these measures unsuitable for comparisons between Neighbourhood Houses.

The report does not include community benefits that are not within the scope of the Neighbourhood House Annual Survey to value, are not compatible with the survey methodology or have been impacted by changes due to COVID 19 that would make calculations of value unreliable including:

- Adult education and tax help
- 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 and child health etc.
- 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.

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 together with benchmarked market values for replacement cost valuations.

Calculation methods

Social Connection

In 2018, Deloitte Access Economics produced a report² 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)³. Quality-Adjusted-Life-Years is the most widely used approach for estimating quality of life benefits in economic evaluations⁴.

Different methods have been used to estimate the number of people who may potentially obtain social connection benefits. The 2018 report assumed that 50% of the 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 of their method.

¹See [Connecting a Diverse Victoria](#)

² http://www.morwellnh.org.au/wp-content/uploads/2018/05/MNH_Social-Impact-Analysis_May-2018_.pdf

³ https://www.pmc.gov.au/sites/default/files/publications/Value_of_Statistical_Life_guidance_note.pdf

⁴ <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>

A subsequent Deloitte report⁵ assumed that only new participants obtained social connection benefits. This assumption effectively discounts the importance of maintaining connections over the life course. Analysis from the Neighbourhood House Participants Survey⁶ and the broader social isolation and loneliness literature⁷ identify the value of maintaining social connections.

The 2017 Neighbourhood House Participants Survey respondents clearly distinguished between the two distinct benefits used by Deloitte; “meet new people/make friends” and “spend time with other people as benefits”. The first benefit implies creating or expanding social networks through the Neighbourhood House whereas the latter implies maintaining existing social connections within the Neighbourhood House. Where both benefits were selected, the implication is that relationships are in a formative or expansion stage, or they have connection in the Neighbourhood House but want to make more.

NHVIC uses the number of people attending programmed activities to calculate social connection benefit because:

- Programmed activities are group activities run over a period of time and therefore not attended in a one-off or infrequent way,
- People maintaining existing relationships are not excluded
- The figure is conservative as it may exclude regular service users such as drop-in, food relief or other regular informal visitors that could potentially obtain a social connection benefit⁸ but are not participating in programmed activities.

Volunteers are also included for the above reasons, consistent with their inclusion in the 2017 participant survey.

The number of weekly participants in programmed activity plus volunteers is multiplied by the percentage of participants that identified “meeting new people/making friends” and/or “spending time with others” as benefits of attending their neighbourhood house based on each Neighbourhood House’s 2017 Participants Survey⁹. These two reported benefits are used in the Deloitte calculations and are most strongly associated with participants who identified attending various programmed activity types including, social and support groups, job training and support and other courses and classes.

The \$ Values are expressed in 2021 equivalents i.e., Quality Adjusted Life Year value of \$222,000¹⁰, which is consistent with Deloitte’s method.

The value of your Neighbourhood House’s increased social connection is calculated using this formula:

Number of participants in activities and volunteers X 1 QALY (\$222,000) X percentage of people identifying a social connection benefit 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 House (28.57%)/52 (weeks).

⁵ <https://mannagumcommunity.files.wordpress.com/2020/08/nhg-sroi-2020.pdf>

⁶ See [Social isolation and loneliness - a neighbourhood house perspective](#)

⁷ See https://www.beyondblue.org.au/docs/default-source/resources/408362_0318_bl1366_hrnt.pdf

⁸ 2% of all participants in the 2017 participant survey attended solely to use a service and identified a social connection benefit

⁹ Where a Neighbourhood House’s participant data are absent or unreliable due to sample size, an average of Neighbourhood Houses in similar sized communities with similar incomes is used. Income is a proxy for volume of activities delivered through a Neighbourhood House.

¹⁰ <https://obpr.pmc.gov.au/resources/guidance-assessing-impacts/value-statistical-life>

The use of the participants in programmed activities as the basis for the calculation is conservative as it excludes regular attendees that receive a connection benefit through drop in, food relief or other non-program activities.

Deloitte further calculate the value of increased connection through increased participation in the broader community due to participation at the Neighbourhood House. This was calculated using the formula above for 10% of the participants.

Volunteering

Volunteering value is based on the replacement cost of volunteers' labour. This is valued at \$52.54 per hour derived from the "State of Volunteering" replacement cost calculator for volunteers aged 55 -64¹¹.

The formula for calculating the community value of volunteering is:

Number of volunteer hours undertaken X volunteer hourly replacement rate

This is a conservative valuation. Replacement cost figure allows for some aging of Neighbourhood House volunteer population which averaged 50 years of age in 2012. The replacement cost for a 50-year-old is 7% greater than the figure used here.

In addition, the valuation 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.

Improved Health

Deloitte¹² established a method to value improved health through increased physical activity. The method assumes 50% of participants in physical activity programs would otherwise be inactive. It calculates avoided health costs at \$95.19 per person annually in 2020 financial year dollars. This equates to \$1.83 per week.

The formula used for calculating the value of improved health is:

Number of participants in physical activity groups x 50% x 95.19 / 52 (weeks)

Emergency relief

Food and groceries

The value to community of emergency food relief is based on work undertaken by Foodbank in Australia¹³. 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
- Increased sense of self-worth
- Improved standard of living
- Improved physical health
- Increased emotional wellbeing
- Reduced waste and greenhouse emissions.

¹¹ [Volunteer Replacement Cost Calculator - State of Volunteering](#)

¹² <https://mannagumcommunity.files.wordpress.com/2020/08/nhg-sroi-2020.pdf>

¹³ <https://www.foodbank.org.au/wp-content/uploads/2019/06/Foodbank-Hunger-Report-2014.pdf>

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 in 4 days X \$20.05

Food vouchers

The community value of providing food vouchers is 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 4 days

Cash/prepaid or gift cards

The community value of providing cash/prepaid or gift cards is 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 4 days

Fuel Vouchers

The community value of providing fuel vouchers is 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 4 days

Bill payments

The community value of providing bill payments is based on the dollar value of bills paid by the Neighbourhood House for individuals in need. This is a conservative valuation as it does not include the benefit derived from access to services for which bills were paid or the alternative use of funds that would otherwise have been used for bills 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 4 days

Public transport cards

The community value of providing public transport cards is 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 4 days

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.

Facilities Usage

The community value of facilities usage is based on the number of hours of room use by external groups and organisations per month and the cost of hiring an equivalent space locally as determined by each Neighbourhood House. This figure reflects value provided to the community rather than income received as rooms and facilities are often made available to community groups at heavily discounted rates or gratis. The value also does not include the benefits to community of the room use activity e.g., improved health, improved access to information or services, reduced cost of services, increased economic activity etc relative to the activity type provided.

The formula used for calculating the community value of room hire is:

Total number of hours of room hire in 4 days X cost per hour of local equivalent (either supplied or \$30).

Internet/computer usage

The community value of internet/ computer usage is 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 Wi-Fi is not an equivalent as there is no support or equipment made available. Commercial rates from \$3-\$5¹⁴ 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 4 days X \$2

Resume assistance

The community value of resume assistance is based on the cost of a resume service for a fee. The fee was benchmarked at the median price of \$50 on airtasker.com¹⁵. The value was discounted to \$30 to account for the fact that Neighbourhood Houses 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 4 days x \$30

Auspicing other organisations

The community value of auspicing other organisations is based on the cost of purchasing public liability cover which groups would have to take out if they were not covered by the

¹⁴ <https://www.facebook.com/dsinternet512/?rf=710935435612179> <https://www.facebook.com/galaxysonicgaming>

¹⁵ <https://www.airtasker.com/writing/resume-writing/>

Neighbourhood House under auspicing arrangements. The price is benchmarked at over \$1,928 for annual cover provided by Local Community Insurance Services¹⁶

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

Total number of organisations auspiced in 2021 x \$1,928

Community lunch, frozen or other meals

The community value of offering community lunch, frozen or other meals is 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.com¹⁷ 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.

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 Australia¹⁸. 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

Social enterprises

The community value of running social enterprises is based on the value of sales over 4 days from goods and services through Neighbourhood House run community enterprises. This reflects the market value of the goods and services provided. It does not include additional value generated such as avoided landfill, value of training and work experience, economic multipliers or the value of services or activities any profits support.

Total \$ value of social enterprise sales in 4 days

Childcare

There is inadequate research to determine the value to community of occasional childcare beyond the market value of the service.

¹⁶ <https://www.localcommunityinsurance.com.au/>

¹⁷ <https://www.numbeo.com/cost-of-living/in/Melbourne> , <https://blog.ing.com.au/money-matters/saving/dust-off-your-lunch-boxes/#article-1811>,

¹⁸ <https://www.foodbank.org.au/wp-content/uploads/2019/05/Foodbank-Hunger-in-the-Classroom-Report-May-2015.pdf>

The formula used for calculating the community value of childcare is:

Total \$ value of government subsidies + parent fees in 2019 X 1

Four-year-old Kinder

The community value of four-year-old Kinder is based on a 2019 Price Water House Coopers study¹⁹ which valued early childhood education in the year-before-school. It calculated a \$2 benefit for each dollar of costs.

The formula used for calculating the community value of four-year-old kinder is:

Total \$ value of government subsidies + parent fees in 2019 X 2

Community value relative to inputs

Community value for every \$1 of Neighbourhood House Coordination Program (NHCP)

Shows the total calculable community value from the organisation for each dollar of NHCP funding received. It conservatively assumes that four weekdays of data accounts for 80% of weekly activity. 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/ 80% of weekly NHCP value

Community value for every hour the Neighbourhood House is in use

Shows the total calculable community value as an average for each hour the Neighbourhood House 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 one 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 formula used for calculating the community value for every hour the Neighbourhood House is in use is:

Total community value / hours the building/s was in use

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 Commission²⁰. The multipliers are based on employment data for the development and housing sector classification. This classification covers much of the work done by Neighbourhood Houses including community development and training (multiplier = 1.39). This means that for every full-time equivalent employee, a further 0.39 full-time equivalent jobs are supported elsewhere in the economy due to the economic activity created by wage spending. Neighbourhood Houses engage in activities that fit in other classifications e.g., emergency relief, referral etc which fit within the social services classification (multiplier = 1.46) or recreational activities that fit within the culture and recreation (multiplier = 1.35). These classifications' multipliers are marginally higher and lower than the development and housing multiplier respectively, further supporting the use of a 1.39 employment multiplier for the sector.

¹⁹ <https://www.thefrontproject.org.au/images/downloads/ECO%20ANALYSIS%20Full%20Report.pdf>

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

The formula used for calculating the total employment effect is:

$$\text{Total reported hours of paid employment} / 38 \times 1.39$$