



South Australian Centre for Economic Studies

Stretton Fellowship – The Value of Social Enterprise: Two Case Studies

Final Report

Report prepared for

Stretton Centre

City of Playford

and the

South Australian Housing Authority

Government of South Australia

Report prepared by

The SA Centre for Economic Studies

University of Adelaide

August 2018

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Executive Summary

Commissioned by the Stretton Centre, in conjunction with Housing SA, formerly part of the Department of Human Services (DHS), and now operating as the South Australian Housing Authority (SAHA), this reports maps social enterprises in South Australia and assesses the value of engaging social enterprise to facilitate job creation for socially and economically disadvantaged populations, using two case studies. The research is part of a broader initiative that explores opportunities for public sector bodies to target their procurement of goods and service for greater social benefit, in particular in Northern Adelaide.

Social Value Assessment

The study estimates social benefits in two case studies of social enterprises, using value estimates from the *Social Value Bank*, a database of social metrics matched to monetarised social values, freely available on the internet (<https://www.hact.org.uk/social-value-bank>). Produced in the United Kingdom and thus offering estimates in GB Pounds, social values estimated for the two case studies are converted to Australian Dollars using Purchasing Power Parity (PPP). Social values are corrected for deadweight, displacement, attribution and drop off.

Identifying social enterprise in South Australia

In the absence of a database or directory, social enterprises were identified via a mail out conducted in collaboration with the Don Dunstan Foundation to subscribers to its mailing list. The mail out received 153 responses, identifying 77 social enterprises operating in South Australia, the majority of which operating in the health and social assistance sector, in cultural and recreational services, education and retail trade. Most enterprises provided goods or services in South Australia, with a focus on the Adelaide CBD.

The mail out also invited social enterprises to indicate if they would like to take part in a case study estimating the social value of their activities. Two social enterprises whose activity profiles were deemed to be most relevant for the type of public procurement that SAHA undertook, were selected for the case study.

Social enterprise case studies

The two social enterprises both had a track record of working with disadvantaged populations in South Australia; one providing on-the-job training opportunities for disadvantaged youth, the other sourcing supported employment for people living with disability.

The two case studies explored the activities and potential social benefits of specific, recent training and employment projects. Detailed discussions with relevant management in the organisations, drawing on secondary sources, notably an earlier impact study and a recent participant satisfaction survey, identified the social benefits to project participants and immediately affected third parties (e.g. families, friends, employers), and the number of individuals thus affected. Social benefits included, to give just a few examples, enhanced self-esteem, better physical or mental health, job preparation, and opportunities for socialising. Third parties benefited from improved personal relationships or savings to business from costs not incurred as a result of connecting with the social enterprise.

These social benefits were translated into social value indicators using data from the Social Value Bank, informed by a search of the empirical literature on social and personal change (notably to facilitate the estimation of deadweight and displacement). These calculations resulted in an estimate of social value (or return) of \$0.50 for each dollar invested by the social enterprise training young people on the job (Case Study 1), and of \$4.7 per dollar invested for the social enterprise supporting people with disability in work (Case Study 2) (Table E.1).

Table E.1 Social value estimation

Indicator	Case study 1	Case study 2
Total impact	478,169	35,014
Total Present Value (PV)*	528,762	35,014
Social Return (Value per amount invested)	0.50	4.71

Differences in social values were above all due to different project expenditures and the inclusion of independently sourced gap funding in Case Study 1. For instance, excluding the gap funding from Case Study 1 doubled the project's social value to \$1 per dollar invested.

These are conservative estimates intended to be very narrowly focussed on the most immediate project benefits, allowing for higher rather than lower deadweight or drop off (social value decreasing over time) in an

effort to avoid any undue exaggeration of value. The estimates do not include direct financial or fiscal gains accrued by participants or the state as a result of these projects.

Creating opportunities through public procurement

To illustrate the opportunities that public procurement may present for providing career and career development opportunities for disadvantaged communities through targeted engagement with social enterprise, we examined SAHA's maintenance budget for 2016/17 in Northern Adelaide. Its total spend of \$38m in that area is estimated to have created about 125 full time equivalent jobs directly, and a further 100 full time equivalent jobs through the supply chain.

Many of these jobs would have required formal qualifications, at least for those with supervisory responsibilities. For others, these jobs would have presented entry level employment opportunities. Strategic use of public procurement can strengthen and build on these opportunities. To do so, the report recommends that SAHA:

- review public procurement needs (and recent spend) across SAHA to identify opportunities for a strategic procurement initiative;
- identify suburbs known or likely to benefit from targeted public procurement investments in the next two to three years;
- scope the potential for engaging social enterprises and other local businesses through public procurement;
- identify service and product gaps, and develop response strategies;
- explore need and benefit-costs of connecting public procurement to local vocational education and training;
- examine scope for aligning public procurement with regional economic and business development needs and opportunities; and
- trial a strategic procurement initiative.

1. Introduction

The Stretton Centre, in conjunction with Housing SA, formerly part of the Department of Human Services (DHS), and now operating as the South Australian Housing Authority (SAHA), has commissioned the South Australian Centre for Economic Studies of the University of Adelaide to:

- map established social enterprises in South Australia, and
- assess the value of using social enterprise to facilitate job creation for socially and economically disadvantaged populations.

The research is part of a broader initiative that explores opportunities for public sector bodies to target their procurement of goods and service for greater social benefit. This particular project sought to inform our knowledge about the presence of social enterprises in Northern Adelaide, especially the area of and surrounding the City of Playford. ‘Presence’ here means being located or trading in the area, or both. In addition, the focus was on exploring the scope for engaging with social enterprises that may be able to supply goods and services typically procured by the SA Housing Authority on behalf of the South Australian Housing Trust, the principal property and tenancy manager of public housing in South Australia.

The research was conducted in three steps:

- identification and description of social enterprises in South Australia;
- review of SAHA public procurement spending to inform the selection of social enterprises for case studies; and
- estimation of the social value of social enterprises in two case studies.

The following sections describe these activities in more detail. We start, however, with a brief discussion of the principles of social value assessment applied in this study (Chapter 2), before summarising the process of identifying social enterprises in South Australia (Chapter 3), the presentation of two social value case studies (Chapter 4) and concluding with a reflection on the scope for making greater use of public procurement to generate added social value in the context of social development and area regeneration (Chapter 5). This latter section will draw on/incorporate information on SAHA procurement activities.

2. Principles of Social Value Assessment

Social enterprises have been defined as “organisations that:

- are led by an economic, social, cultural, or environmental mission consistent with a public or community benefit;
- trade to fulfil their mission;
- derive a substantial portion of their income from trade; and
- reinvest the majority of their profit/surplus in the fulfilment of their mission.” (Barraket et al., 2016, p.3)

These features turn social enterprises into promoters of inclusive growth and development, and organisations that proactively address deep social challenges (‘wicked problems’¹) often eschewed by commercial businesses because of their complexities and costs. Social enterprises bear these additional costs as they reinvest surpluses into their mission-oriented activities, sometimes supplemented by funds raised publicly or by an organisationally flatter salary structure or the use of volunteer labour. This reinvestment turns into *social value*.

Targeted public sector investment can play an important role in facilitating social enterprise and supporting the latter’s capacity to invest resources to address ‘wicked problems’. Public sector investment can not only offer direct economic costs and benefits, but has potentially wider social influences that often go unrecognised and unmeasured. Conventional economic value or impact assessment tools, such as cost benefit analysis or cost-effectiveness analysis, pay little attention to capturing social benefits, instead focussing on direct economic, financial and fiscal returns on investment. Their design requires outcomes to be measured in a standardised, unidimensional format that are directly attributable to an intervention (e.g. employment outcomes, reduced participation in income support, etc.) and comparisons of more than one intervention (Mason and Terraraho 2007). They also need to share a common unit of measurement, which is the monetary or dollar value.

We have a set of standardised tools to measure an intervention’s cost savings to the public sector or to private persons, or to measure consumer or user preferences for goods and services. The best known tool is perhaps Willingness to Pay (WTP), which measures the maximum price we would agree to pay for a public good, for instance, for clean air. These tools’ application to the measurement of social value has long been complicated by the diversity of social phenomena to be measured and the lack of easily accessible value data. To illustrate the challenge by way of an example, the benefits of a new road surface may be fairly easily measured using statistics on cost savings resulting from reduced accident rates or travel times. The economic value of reduced risk of property damage as a result of less road vibration may be a little harder to establish, but proxy values may be constructed from house price indices. More difficult is the valuing of social benefits (e.g. to a community’s health) of a reduction in discomfort owing to less traffic noise or vibration.

Growing awareness of social value measurements and progressive development of methodologies for social value measurement have greatly facilitated social value estimation in public and private investment in recent years. Two distinct methodological approaches stand out and were considered for this project’s case studies.

First, the Social Return on Investment (SROI) approach, which specifically seek to identify the *financial* savings or gains associated with individual social benefits. Taking the above example of improved road surface, this approach would seek to estimate associated savings to the public or private health sector as a result of a community’s improved physical or mental health.

Second, the Wellbeing (WbA) or Social Value (SV) approach which uses (typically) *survey data* to estimate an intervention’s effect on wellbeing and to monetise it. This is done by calculating the amount of additional income a person would need to obtain before he or she would report a change in self-reported wellbeing (or life satisfaction) equal to that reported by someone experiencing a social benefit from an intervention.²

Both approaches present their own challenges. SROI requires reflection and scanning of the literature for suitable financial proxies that are relevant and can be shown to be relevant to the social benefit in question – and have a known (and recent) monetary value. The WbA, on the other hand, draws on a list of empirically determined social values. It is currently more limited in scope than SROI as few social surveys are sufficiently diverse to measure wellbeing and added income effects across a number of social benefits in a consistent and comparable manner.

¹ Head, B.H. (2008) ‘Wicked Problems in Public Policy’, *Public Policy*, 3, 2, 101-118.

² Statistically, this involves comparing reported wellbeing and incomes for different sets of people: (i) those experiencing and (ii) those not experiencing the social benefit, whilst controlling for other differences between these groups. Proxy indicators are used to capture the social benefit

Both approaches require stakeholders to be consulted to determine social benefits, and the extent to which they are being experienced. Stakeholders may be the immediate beneficiaries of an intervention, those delivering it or others only indirectly affected.

Repositories of social value indicators have been set up for public access and include:

- *IRIS* - a free, online catalogue of performance metrics managed by the Global Impact Investing Network (GIIN®), excluding social value estimates (<https://iris.thegiin.org/>);
- *Lean Data* – a free for service end-consumer data collection utility specifically targeted at social enterprises seeking to combat poverty (<https://acumen.org/>); and
- the *Social Value Bank* - a WbA/SV based database of social metrics and values, freely available along with a *social value calculator*, an Excel spreadsheet that can be used to collecting and entering input, output and outcome data to estimate a project's social value (<https://www.hact.org.uk/social-value-bank>).

The present study has used the *Social Value Bank* to value social benefits. This choice was informed by both convenience (i.e. a freely available ready-made set of performance metrics and values) and a desire to use a uniform approach to measuring value. The use of WbA/SV approaches is backed up by strong empirical evidence of an association between better wellbeing on the one hand, and a range of social and economic outcomes on the other (Layard et al., 2013). Further support comes from evidence suggesting that, although wellbeing may not suffice to avoid personal disasters or overcome deep socio-economic disadvantage *per se*, it is associated with higher earnings in the long term. This was the finding of a study by De Nave and Oswald (2012) who compared the earnings trajectories of otherwise similar groups of people with different self-reported wellbeing. Improving wellbeing is thus a valid social and policy ambition, and an appropriate measure of social value.

The choice in favour of the WbA/SV approach, however, comes at a price: estimated social values are currently only freely accessible in the United Kingdom and, hence, estimated in GB Pounds. Although a similar, albeit currently less exhaustive social value database exists in Australia, it is not generally freely available but requires an annual subscription.³ Rather than acquiring the database, for the purpose of this study, this study adopted the social values estimated for the UK and in GB Pounds, appropriately adjusted for Purchasing Power Parity (PPP).⁴

2.1 How appropriate is the use of PPP adjusted social value measures?

We tested the validity of our assumption of the comparability of social values in the UK and Australia, by identifying and comparing a small number of social benefits for which social values had been estimated in both countries. These comparisons are necessarily approximate, because social benefits are rarely measured and valued in the same way in different jurisdictions. Nonetheless, the comparisons give a broad indication of the comparability of the money values.

The examples were chosen to match social benefits for which we have values recorded in the *Social Value Bank* (in GBP) that we use in our estimations, but was at the same time limited to instances for which correspondent values (in AUD) could be identified with a reasonable amount of effort. In the end, comparable value estimates were identified in only two instances: the social value of moving from unemployment to employment, and the social value of not worrying about crime. In addition, our searches recorded social value for engaging with the arts and cost reduction estimates for reduction in (violent) assaults. In Table 2.1, we have converted GBP into AUD using PPP. We do not adjust for inflation, as we do not have consistent information about the years to which the cost estimates applied, although the year of publication of the data provides some indication.

With the exception of the “not worried about crime” indicator, whose social value estimations used somewhat different methods in Australia and the UK, the value estimates are fairly close for social benefits associated with larger social values. Lower value estimates differ more markedly, especially when compared proportionately to another. But because they are smaller values, the nominal effect of this difference is itself small.

In the absence of alternative data, it would thus appear appropriate to use the UK estimated and denominated social values in these Australian case studies.

³ It would have costed the project \$45,000 to acquire this licence.

⁴ PPP adjust currencies to reflect consumers' ability to purchase an identical, fictitious 'basket of goods' rather than adopting currency exchange rates of the day.

Table 2.1 Value estimation of selected social benefits

Social benefit	Social value	
	AUD	GBP (AUD)
Being employed versus unemployed*	24,853 ^(a)	11588-14433 (23,168-28,856) ^(b)
Not worried about crime***	22,085 ^{(c)*}	12,274 ^(b) (24,540)
Arts engagement	4,349 ^(a)	1,084 ^(d) (2,167)
Cost of society's response to crime (assault) – criminal justice cost (average \$/incident)	13,866 ^(e)	11,995 ^(f) (23,981.85)
Cost of society's response to crime (assault) – victim services (average \$/incident)	1,601 ^(e)	587 ^(g) (1,173)

Note: ^(a) ACA 2015; ^(b) HACT and Fujiwara; ^(c) Ambrey et al. (2013); ^(d) USoc (undated); ^(e) Infrastructure Victoria (2016); ^(f) Dolan et al. (2005); ^(g) Dubourg and Hamed (2005); * estimates a resident's compensating surplus for a 15% decrease in the number of property offences in a local area.

2.2 Correcting for confounding factors

Any social intervention may have an effect that, over time, might occur even in its absence. For instance, the majority of unemployed people regain work fairly quickly without ever visiting **jobactive** or consulting a recruitment agent.

Accepting a social value without allowing for 'natural change' and other confounding factors would inflate impacts beyond their true size. Following SV guidelines (SROI 2012), this study also estimated four corrective values that, applied to the gross social value, resulted in a *net* social value estimation. The four corrections are:

- Deadweight – measuring the “amount of outcome that would have happened even if the activity had not taken place” (SROI 2012, p. 56);
- Displacement - measuring “how much of the outcome displaced other outcomes” (ibid, p. 57);
- Attribution – measuring “how much of the outcome was caused by the contribution of other organisations or people” (ibid, p. 59); and
- Drop Off – measuring “how long the outcomes lasted” (ibid, p.61).

3. Identifying Social Enterprise

In the absence of a public register of social enterprises in South Australia, this study adopted a number of strategies to identify social enterprises located and operating in the State, including:

- approaches to organisations known to engage with social enterprises, including the City of Adelaide (Social Ventures Incubator program) and Community Centres South Australia;
- generic and targeted web searches, including <http://bcorporation.com.au/>: which provides certification to sustainable businesses that demonstrate concern for positive social and environmental impact; and
- a review of the Australian Charities and Not-for-profits Commission (ACNC) Register of Australian Charities 2015.

The latter exercise identified 3,955 charities and not-for-profits operating, but not necessarily based, in SA. The limited information contained in this publicly available database also meant it was unclear whether the listed organisation were social enterprises trading goods or services, which were the focus of the intended inventory.

The other (first) two strategies yielded information about just 10 organisations, of which seven could be confirmed as social enterprises.

3.1 The social enterprise survey

Concurrently, the Don Dunstan Foundation (DDF) offered the use of their *social capital mailing list* to issue a call for readers who knew or were associated with a social enterprise to help us identify these enterprises. In this mail out, social enterprises were defined as:

“for-profit or not-for-profit businesses that primarily seek to fulfil a public or community benefit, to provide benefits to members or to support the mission of a non-profit auspice.”

This definition was broader than the one by Barraket et al. (2016) cited earlier. It was adopted in order to encourage and accommodate a diversity of self- and third-party identifications, and to avoid a prematurely narrow focus of the survey.

Recipients of the email from DDF who knew about social enterprises were invited to follow a link embedded in the email to complete a brief online questionnaire to record the social enterprises’ names and locations/addresses. In addition, respondents directly associated with or representing a social enterprise were asked additional questions about the social enterprise’s main social objectives, social or trade activities, geographical area of operation, and staffing and revenue. They were then also asked if they would consider taking part in a case study about social enterprises.

Completion of the online survey was, of course, voluntary, as was providing answers to individual questions and volunteering for a case study.

DDF issued its email on 22 February 2018, and the survey remained open until 18 April (although most responses had been received in February and early March). In addition to these survey responses, we received separate enquiries and information and, importantly, a list of 125 cooperative businesses operating in South Australia.

The researchers want to take this opportunity to thank all those who responded to the DDF mail out and the SACES survey for their support. The survey would not have been as successful as it turned out to be without their contributions.

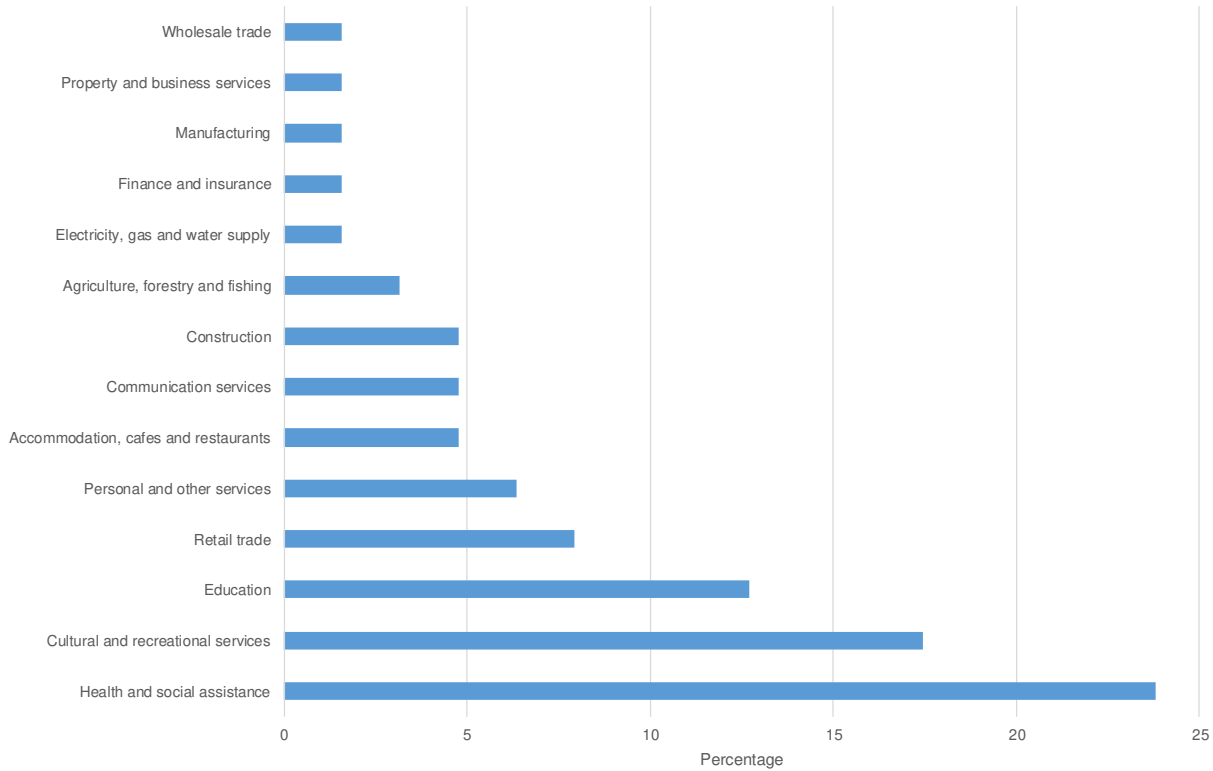
3.2 Results from the South Australian Social Enterprise Survey (SASES)

In total, the survey received 153 responses, including 42 from managers or owners of a social enterprise, 9 from employees and 27 from volunteers working with a social enterprise. Responses from managers, owners, employees and volunteers meant that the survey was able to identify 77 social enterprises operating in South Australia. For 63 of these 77, the survey yielded information about their activities.⁵ Respondents to our survey also nominated several other enterprises, whose status as a social enterprise has yet to be confirmed.

⁵ In 2016, the authoritative Finding Australia’s Social Enterprise Sector (FASES) Census had identified 54 social enterprises located in South Australia, using its more focused definition of social enterprise (Barraket et al. 2016).

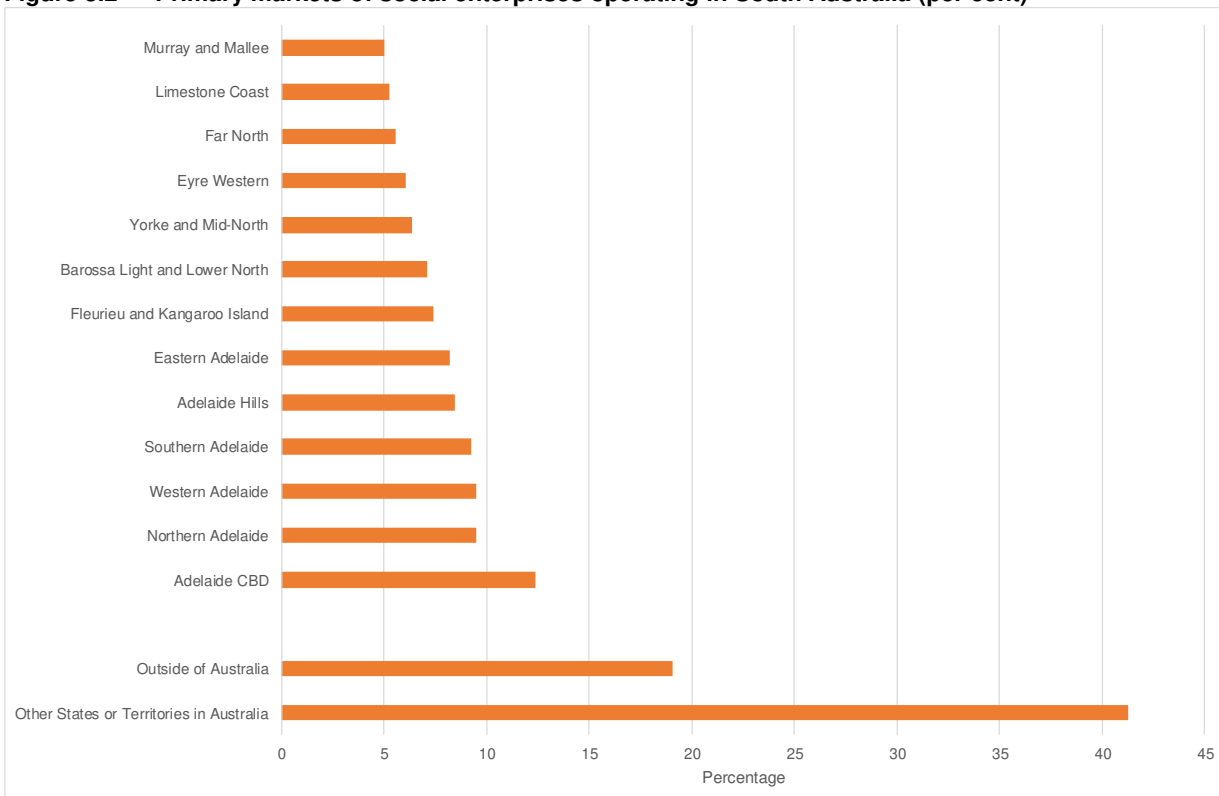
Information received from respondents directly connected to a social enterprise shows that the majority of these enterprises were operating in the health and social assistance sector, in cultural and recreational services, education and retail trade (Figure 3.1). Most enterprises were providing goods and services only in South Australia, but 12 indicated that they also operated outside Australia (Figure 3.2). Within South Australia, the focus of their operations was on the Adelaide CBD, but also extended northwards in particular.

Figure 3.1 Industry distribution of social enterprises operating in South Australia (per cent)



Source: SACES and DDF Social Enterprise Survey 2018.

Figure 3.2 Primary markets of social enterprises operating in South Australia (per cent)



Source: SACES and DDF Social Enterprise Survey 2018.

Fewer than half of the responding social enterprises provided information about their staffing or commercial turnover; so that we can only report these statistics at a highly aggregate level: about half of the social enterprises that provided this information reported a turnover of under \$100,000 per annum, no more than five paid employees and up to 10 volunteer workers.

4. Social Enterprise Case Studies

4.1 Selecting case studies

Two case studies were selected on the basis that the social enterprises delivered services that corresponded well with the procurement requirements of SAHA. In the following we briefly describe the social enterprises main activities and, more specifically, the project used for this case study.

Case study participants were assured anonymity so to facilitate an open and deliberate exploration of matters relating to case study financing and costs, as well as social benefits and possible costs. To protect the identity of the businesses, the following reporting will adapt synonyms for the social enterprise and avoid potentially disclosive information, such as reference to specific locations.

The case studies of the two social enterprises commenced in May 2018 and June 2018 respectively, following initial detailed briefing on the aims and objectives, and possible use of the case studies, and discussions of case study options.⁶

4.2 Case study 1

Case study 1 is a *youth training and construction initiative* in South Australia, put into place and operated by a social enterprise with a presence in several States and Territories across Australia. The social enterprise, which we will refer to as SE1, first began working in South Australia in the early 2000s. Since then, SE1 has undertaken property construction, refurbishment, renovation and maintenance (including horticultural tasks) and in doing so, has employed and trained socially disadvantage youth. SE1 gains business by bidding for public (State and local government) and private (i.e. fee for service work) tenders; it also has an ongoing relationship with Renewal SA, which is responsible for urban development and renewal on behalf of the Government of South Australia. The social enterprise also engages in a number of federal and State employment programs, such as the SA Works Program.

SE 1 generates a significant share of its income from public fundraising. In the case study that we describe below, this fundraising accounted for, and covered a commercial funding shortfall of, about one third of total costs.

4.2.1 The Project

The project that is the focus of this case study is a construction⁷ youth training program undertaken in South Australia in 2016/17. The project engaged 29 young people in on-the-job training activities lasting for between three and six months. The young people worked on one or more construction projects, with some starting on horticultural assignments as a ‘soft entry’ to more challenging job and job training activities.

The ‘soft entry’ is seen to assist young people in adapting to new daily routines, in particular, providing the trainees with opportunities to develop and improve attendance, and to become reliable colleagues, at the workplace. The ‘soft entry’ phase is also an opportunity to teach trainees safe work practices before they move on to the potentially more hazardous environment of a construction site. A maximum of four trainees are assigned to one trainer who also acts as a mentor and life coach to help trainees adjust to new job requirements and responsibilities.

Trainees were typically early school leavers aged 15 to 25 years with low levels of literacy and numeracy, no work experience or qualifications, and low work motivation. Many came from families with a history of (long term) unemployment and unstable housing, and few had spent much, if any, time outside their local area. Several would also have had encounters with the juvenile justice system, and some were suspected to be experiencing mental health problems and (previously undiagnosed) behavioural issues.

The program’s objective, amongst others, is to provide these young people with an “increased purpose” in life, and to achieve this by giving them the opportunity to be “meaningfully occupied”. Youth work support is provided to help trainees to increase their employability, while mental health issues are referred to specialists, where appropriate, prior to a trainee’s placement. Besides on-the-job training, trainees are encourage to improve their literacy and numeracy through participation in an online training course.

These services are provided in addition to the more conventional on-the-job training that SE1 considers essential ingredients for preparing this particularly disadvantaged group of young job seekers for the labour market. Without these support, many of these job seekers would not become job ready or may face an increased risk of dropping out of the program before completion.

⁶ The case studies were approved by the University of Adelaide Human Research Ethics Committee (Ethics Approval No. H-2018-096).

⁷ We use ‘construction’ as shorthand for new build, refurbishment, renovation or maintenance.

Each year, about 75 per cent of trainees complete their placement, at which point SE1 also offers job search assistance and, in 2016/17, found jobs for about two thirds of completing trainees, whilst others found job through their own efforts and searches. These jobs were often in positions similar to the on-the-job training, although some trainees found employment in unrelated industries and occupations, or commenced an apprenticeship.

In terms of outcomes, in 2016/17 the project, which trained 29 young people, reported:

- 22 on-the-job training completions
- 13 job placements;
- 1 apprenticeship commencements;
- 10 vehicle driving or forklift driving licences supported; and
- 3 First Aid or Asbestos handling certificates attested.

4.2.2 Method of estimation

Brainstorming the project, SE1 and SACES identified a number of potential social benefits or costs that might have resulted from, or increased by, the project (Table 4.1).

Table 4.1 Case study beneficiaries, project activities and social benefits

Beneficiary	Project activity	Social benefit	SV indicator ¹
Social measures			
Trainees	Work readiness preparation	Greater job readiness	Employment training
	On the job training	Better/new work skills	General training for job
		Improved self-esteem	Improvement in confidence (youth)
		Healthier, structured lifestyle	Relief from drug and alcohol problems
		Return to (further) education	Enrolling in vocational education
	Job search support	Employment	Full-time employment Part-time employment Self-employment
	Learning to work responsibly in a team	Friendships	Member of social group
	Wages paid at trainee award level	Financially better off, psychological benefit of own independent income	Able to pay for housing
Peers	Demonstrating self-efficacy	Positive self-image/self-belief affecting and extending to community	Improvement in confidence (youth)
Family	Contributing to household income	Family is getting on better	Can rely on family
Mentors/trainees	Doing socially valuable and valued work	Increased self-worth	Self-worth (change in)*
Economic measures			
Trainees	On the job training	Formal qualifications	Cost of vehicle or forklift driving licence, certificate in asbestos handling*
	Employer	Vacancy and associated costs	Supplying a better trained, job ready workforce
		Help with recruitment	Cost of recruitment (AUD)*

Note: ¹ Sourced from the Community investment values from the Social Value Bank (HACT and Fujiwara, undated), unless marked *, for which sources are recorded in Appendix A, Table A.1.

These benefits were matched to measurable outcome indicators using the SV method. In slight deviation from this generic approach, we also include in our social value estimation the nominal, at-cost value of a number of economic or occupational benefits accruing from the case study project, namely:

- for trainees: obtaining a vehicle and forklift driving licence, or a certificate in Asbestos handling; and
- for employers: reduced costs of recruiting or inducting employees.

These are not accounted for elsewhere and were estimated using information from SE1 or public sources (see Table A.1 in Appendix A for details of secondary sources used in these estimations) as no equivalent social value estimates appear to be available.

In all instances, the social values are estimated for the number of people known or assumed to have benefited from the project. These were a maximum of 22 out of 29 trainees, and the same number of peers, families or employers.

Confounding factors

Deadweight was estimated using known sources of proxy information to adjust for general social trends, which need to be taken into account when estimating deadweight. In addition, we used trainee change data from an evaluation of a similar program implemented by SE1 in the recent past for a similar population of disadvantaged youth as an approximation of the present program's effect on trainees. The source of this information remains uncited to protect the anonymity of the social enterprise.

Displacement, attribution and drop-off were decided jointly with the social enterprise. Key assumptions informing the respective values are outlined in Table A.2 in Appendix A. As a general principle, we adopted what was considered the most realistic value with least risk of exaggerating social value. Thus we sought to estimate the minimum social value.

4.2.3 The social value of case study 1

Social value estimation allows for social benefits to be assumed last beyond to period of the activity or project whose social value is measured. In this particular case, it was assumed that the following impacts with last beyond the project lifetime (3 to 6 months; referred to as Period 0 in Table 4.2), for approximately the same period again (Period 1 in Table 4.2):

- greater job readiness;
- improved self-esteem;
- healthier, structured lifestyle;
- formal qualifications obtained in the course of the program; and
- return to (further) education.

It is, of course, conceivable that some or all of these social benefits continue to affect the young trainees for a longer period of time than the assumed six months following the training period. Likewise, however, it is also conceivable that effects last for much shorter periods upon project completion, such as in instances, where trainees do not gain employment or the type of employment to which they aspired. The assumption that these social benefits may only extend for a further six months is, therefore, again a conservative estimation that seeks to allow for this uncertainty.

The total social value *impact* of the SE1 case study is estimated at \$478,169. Its *total present social value*, which corrects from some social values occurring during or after, or during and after the training project, is estimated to amount to \$528,762, after discounting the second half-year impacts (Table 4.2). Just under \$40,000 (\$39,857; or about eight per cent of the total, not discounted value) represent the direct costs of facilitating trainees to obtain formal qualifications or employers to reduce induction and recruitment costs.

With total input (cost) estimated at \$1.055m⁸, this translates into a social return on investment of \$0.50 for each dollar invested, including a return of \$0.27 for each dollar invested during the training program period itself (Period 0), and the remainder accrued during the subsequent Period 1.

Excluding the gap funding provided by SE1 through its public fund raising, the social return on investment for both periods increases to \$1.05 for each dollar invested.

Table 4.2 Social value estimation for Case Study 1

Indicator	Social Value (\$)
Total impact	478,169
Present value of each year	Period 0: 282,731 Period1: 246,032
Total Present Value (PV)*	528,762
Net Present Value (PV minus the investment)	-526,238
Social Return (Value per amount invested)	0.50

Note: Year 2 impacts are discounted by 3.5 per cent.

⁸ These input costs exclude costs for any materials, which are assumed to be charged back to contractors and not to directly impact of social value creation.

Because our estimation took a cautious approach to calculating impacts, purposely allowing for higher levels of deadweight, displacement or drop off rather than lower levels, this *Social Value* should be read as a conservative lower level estimate. The unique presence of SE1 in this area of job training, however, also means that the project impact, as measured by the *attribution* indicator, can be largely ascribed to this project alone.

This *Social Value* estimate does not include direct economic benefits, such as training awards paid to participants, the benefits to local employers that supply construction materials to the venture, or any savings to the tax payer that may result from reduced social security (New Start Allowance, Youth Allowance) payments at the time and into the future. Nor does it account for any longer term earnings benefits that trainees may receive in the years after completing their course program and entering the labour market. These benefits would also be expected to result from participation in conventional training, e.g. at TAFE or a Registered Training Organisation.

The *Social Value* presents the added monetary value of the social enterprise engaging with highly marginalised young people typically beyond the reach of commercial service providers. Put differently, it is the return on the effort (i.e. investment) that has *encouraged* and *enabled* a socially disadvantaged population to participate in mainstream vocational educational and employment activities, which would otherwise not have been available to them.

4.3 Case study 2

Case Study 2 is a social enterprise that has been operating in various parts in metropolitan and regional South Australia since the early 2000s. We will refer to this organisation as SE2.

The organisation is also registered as an Australian Disability Enterprise (ADE) and recognised by the National Disability Insurance Agency as a Specialist Disability Provider. It currently provides employment opportunities for approximately 100 people with disability primarily related to mental health or intellectual disability. SE2 employees typically work five hours a day during a three day working week (i.e. 15 hours per week in total), and get paid the minimum wage. Most supported employees chose to limit their earnings to \$84 per week in order to avoid losing part of their Disability Support Pension, which is clawed back after this earnings threshold is reached.

Services provided by SE2 and its supported employees include:

- general contract services (short and long term);
- cleaning services (corporate and residential);
- environmental maintenance (landscaping/gardening);
- graffiti removal;
- horticultural services;
- vehicle cleaning; and
- plant hire.

Supported employees' work interests, goals and skills are identified during an initial interview, after which the organisation seeks to align the employees' preferences with the work program and contracts available to the social enterprise. The organisation gains contracts through competitive bidding or direct approach, often building on established relationships with repeat customers. Customers may be corporate businesses, government agencies or private individuals.

The workforce of SE2 is socially and culturally diverse. It includes people with sometimes considerable work experience and qualifications as well as young people joining SE2 straight from school. The workforce is predominantly male and ages range from about 30 years to 50 years. The supported employees' mental health challenges or intellectual disability typically limit their capacity to attend work consistently and without the risk of significant interruption. As a result, many have found it difficult to obtain and then to retain open, unsupported employment. The employees have often been supported by SE2 for several years, with very few leaving SE2 to seek employment elsewhere in the labour market.

At SE2, the employees are given the opportunity to undertake paid work at a pace and duration that meet their requirements, whilst the organisation arranges its operations in a way to minimise any risk to project completions that may result from unforeseen and unforeseeable interruptions due to the employees' health. One way in which this is achieved is to assign a larger team of supported workers to individual projects than

would be working on the project at any point in time. This allows for the opportunity to replace an employee or temporarily relieve him or her from the job, should the need arise.

The employees are offered job induction, on the job training as well as in house training that enables them to work safely and according to relevant industry standards.

4.3.1 The project

This case study examines the social value of a landscaping and gardening project undertaken by SE2 employees over a period of three weeks in March/April 2018. The project was part of a larger refurbishment exercise involving a complex of eight affordable housing properties.

SE2 had been contracted to assist with landscaping and gardening aspects of the refurbishment, which needed to be completed within a tight time frame and restricted resources. These time restrictions meant that employees assigned to the projects needed already to have completed the statutory White Card course in Work Health and Safety (WHS), which allowed them to work on a construction site.

SE2 was able to allocate an 18-person team of supported employees, of whom 10 were working on the project at any point in time; all had significant prior experience in horticultural and landscaping work. Two employees, encountering health issues, were not able to remain with the project until its completion. The projects took a total of 47 hours to complete.

4.3.2 Method of estimation

As in the case study of SE1, benefits and beneficiaries of the case study project were identified in conversation with the social enterprise's senior management who had, in turn, consulted staff directly involved with the greening and landscaping project. Social and economic benefit measures were again identified and, where possible, matched to outcomes to SV indicators (Table 4.3). The social value of one of the social indicators, increased self-worth, could not be sourced from the Social Value Bank, but was instead drawn from the Global Value Exchange databank (cp. Table A.3, Appendix A), which had already been the chosen alternative source in Case Study 1.

Table 4.3 Case study beneficiaries, project activities and social benefits

Beneficiary	Project activity	Social benefit	SV indicator ¹
Social measures			
Supported employees	Employment	Better/new work skills/integration	Part time employment
		Improved self-esteem	Improvement in confidence (youth)
		Healthier lifestyle	Smoking cessation
		Feeling safe/working in a safe environment	Relief from depression/anxiety (adult)
	Socialising with co-workers	Friendships	Member of social group
	Wages paid at Supported Employment Services Award level	Financially better off, psychological benefit of own independent income	Able to save regularly
Family	Respite for family carer	Family is getting on better	Can rely on family
Project residents	Environmental improvement	New or improved public space	Resolution of problems with scruffy gardens/landscaping
Mentors/trainees	Doing socially valuable and valued work	Increased self-worth	Self-worth (change in)*
Economic measures			
Contractor	Quality work received within restricted budget	Ability to deliver environmental improvements earlier	Apply 7% discount rate to staff costs (approx. \$400)*

Note: ¹ Sourced from the Community investment values from the Social Value Bank (HACT and Fujiwara, undated), unless marked *, for which sources are recorded in Appendix A, Table A.3.

In addition, the economic measure of social value, namely the ability of the contractor to deliver the landscaping project within a restricted budget, was estimated by applying a seven per cent discount rate to total employee and supervisor costs (\$470). This measure is appropriate for quantifying the value of *bringing forward in time* a project that, under different circumstances, would have had to be delayed until the additional financial resources had been raised to cover higher costs (cp. OBPR 2007). This social value, thus, effectively presents a cost saving to the contractor and, in line with the approach taken in the first case study, is included in the social benefit estimation as a benefit accrued by an external beneficiary.

All social values are estimated for the number of persons benefiting, whilst accounting for deadweight, displacement, attribution and drop-off (see Section 2.2). The reasoning behind each calculation and the sources that informed the determination of these four impact correction factors are explained in Tables A.3 and A.4 in Appendix A.

Two caveat must be added. First, to the author's knowledge, there are currently no social value estimations in the public domain that apply specifically to people with disability. This matters because people with disability may experience social benefits and, hence, social values differently, notably because of their increased vulnerability and exposure to social disadvantage and discrimination. As a result, most social values calculated for SE2 may well be underestimated. This also applies to the indicator of 'improved self-esteem', which uses social values estimated for youth in the absence of equivalent values for adults. The empirical literature cited in Tables A.1 and A.2 suggests that self-esteem rises 'naturally' during adolescence. Boosting low self-esteem amongst youth would thus be expected to have lower social value than achieving the same amongst adults.

Second, we estimated the social value of employment for *part time* employment as SE2's supported employees spent, on average, 15 hours per week working. The use of the part time employment indicator is, hence, nominally correct. However, given the typically lower work capacity of people with disability (which we were not able to estimate individually or on aggregate), people with disability may experience part time working in the same way that people not living with disability may experience full time working. Again, this suggests that our social value indicator, in fact, underestimates the full social benefit of employing a person with disability.

4.3.3 The social value of case study 2

Noting these caveats, the total impact of SE2's case study project is estimated at \$35,014, resulting in a social return or value of \$4.71 per dollar invested⁹ (Table 4.4). Unlike case study 1, in this instance, we only estimate the social value for *one* time period. The short term nature of the case study project, which only lasted three weeks, does not warrant a longer term, secondary benefits to be estimated. Effectively, the present estimate captures the social value as incurred when the landscaping project was undertaken.

Table 4.4 Social value estimation for Case Study 1

Indicator	Social Value (\$)
Total impact	35,014
Present value of each year	Period 0: 35,014
Total Present Value (PV)*	35,014
Net Present Value (PV minus the investment)	29,254
Social Return (Value per amount invested)	4.71

Note: Year 2 impacts are discounted by 3.5 per cent.

In our social value estimations, we applied high drop off values (of up to 80 per cent) to each of the indicators of social benefit, as we believe that, if accrued from a stand-alone, one-off project, social value would be of limited duration. In so far as SE2 is able to assign its supported employees to new projects subsequently, social value is likely to be sustained for longer. Drop off rates reduce (and social values increase) if and when work activities are maintained over longer periods of time.

As in case study 1, our social value estimates are purposely chosen to be conservative as well as likely to be suppressed because of the unavailability of social value estimates for people with disability. We again exclude from our estimation direct earnings benefits accrued by supported employees or their supervisor, and seek to capture the added monetarised value of the social enterprise engaging a population that would otherwise have very little, if any, opportunity to take part in, and earn income from, paid work. Results from a recently completed supported employee satisfaction survey conducted by SE2 helped to inform estimates of the number of supported employees likely to have experienced individual social benefits.

⁹ As in case study 1, these input costs exclude those for materials, which are assumed to be charged back to contractors and not to directly impact of social value creation

5. Summary and Look Ahead

This report estimated the social value of two very different employment support programs for different client populations delivered by two social enterprises in South Australia: one - referred to as SE1 - providing on-the-job training experiences for disadvantaged young people; the other - referred to as SE2 - providing employment opportunities for people with disability of all working ages.

It was estimated that, for each dollar invested, SE1 generated about \$0.50 in social value, rising to \$1.05 if public fund raising support is discounted; whilst SE2 generated approximately \$4.71 in social value.

These estimates are purposely designed to be conservative in nature. They offer a valuation of social benefits that is as realistic as possible, given the relative novelty of the estimation tool. Importantly, strong emphasis was placed on applying similar logics to these social value estimations, in particular with respect to understanding deadweight, displacement and drop-off risks. Whereas, ideally, these risks would be determined in direct conversation with program participants, resource constraints meant that these exploration were limited to discussions with program managers and to drawing on survey data relevant to the social enterprises, albeit not directly to the projects discussed in the case studies.

For reasons of comparability and rigour, similar items were included in the calculation of each project's expenditures, from which the social return per dollar was estimated. Included were wages and salaries paid to participants and project workers, as well as overheads; however, material costs were excluded as they were charged back to contractors and not deemed to affect participants in the same way as payments made directly to them. The higher social value estimate for SE2 compared with SE1 is to an extent a reflection of the former's lower initial expenditures (notably wages and salaries).

The resultant social values quantify the amount of extra income that would be required to affect the same level of improved wellbeing experienced by trainees or supported employees as a result of their program participation, taking into account direct (e.g. skills, self-esteem, friendships) and immediately relevant indirect benefits (e.g. savings to employers that facilitate hiring of young job seekers).

Economic impacts, such as participants' earnings, are not separately estimated, but notionally included as social benefits that derived from them. Nor are cost savings to the tax payer considered, such as the substitution of social welfare payments for wages and salaries, or reduced costs to health services as a result of better psychosocial wellbeing. Empirical evidence has demonstrated that improved wellbeing reduces such payments, and the current social value estimation is one representation of these monetary gains.

The Australian Government's Priority Investment Approach (PIA) provides an alternative, welfare payment focussed estimation of the savings that could be made if disadvantaged populations were better integrated into mainstream economy and society (DSS 2017). It estimates the average (per person) *lifetime costs* for different welfare receipts, including:

- Studying payment recipients – \$210,000 (average payment in 2015/16: \$8,600);
- Working age payment recipients – \$304,000 (\$11,300); and
- Disability support pensioners - \$450,000 (\$22,100).

To the extent that the activities of SE1 and SE2 described in our case studies can be sustained or indeed elevated to reduce reliance on welfare payments, these average costs indicate additional direct monetary and fiscal benefits on top of the estimated social values.

As the drop-off assumptions in Tables A.2 and A.4 illustrate, *continued* engagement of participants in work beyond the time limited experiences captured in the case studies is an essential condition for sustaining social value and retaining fiscal benefits in the long term.

5.1 Public Procurement for Northern Adelaide

Strategic investment can help to create opportunities that enable disadvantaged populations to maintain a continuity of employment that they would otherwise find it difficult to achieve. To illustrate this point, Table 5.1 summarises SAHA public procurement expenditure in Northern and Western Adelaide¹⁰ in 2016/17. These areas have recently been affected by the closure of the Holden car manufacturing plant and have historically endured unemployment rates higher than surrounding areas or South Australia as a whole.

¹⁰ Elizabeth, Modbury, Salisbury, Port Adelaide, The Parks.

In 2016/17, SAHA invested approximately \$4.2m in materials for public housing maintenance paid to contractors in these parts of Greater Adelaide and a further \$34m on related services (Table 5.1). Input-output estimation suggests that the \$38m investment in products and services translates into approximately 125 direct full time equivalent (FTE) jobs.¹¹ A further 100 FTE jobs would be generated in the supply chain through production effects. These job effects would occur across South Australia, depending on product and service suppliers' locations.

Table 5.1 identifies the services that SAHA purchased by their type of trade, and the minimum level of qualifications that these trades require, although this would not necessarily be required for a recent job seeker and person *working under supervision*. The list is dictated by the trades identified in the SAHA Information Management system and, thus, not necessarily complete. For instance, it does not separately list horticultural activities, such as those performed by SE2's supported employees and also sourced by SAHA.

Table 5.1 SAHA Maintenance expenditure paid to Multi Trade Contractors in the Northern and Western Regions of the Adelaide Metro Area, by trade, 2016/17, and approximate minimum Certificate qualifications required for service provision

	Approximate minimum qualification	SAHA procurement 2016/17	
		\$	Per cent
Products			
Asbestos Cement Product		812,301	2.1
Clotheslines		158,320	0.4
Screen doors		924,131	2.4
Floor coverings		2,323,743	6.0
Services			
Carpentry	Certificate III	6,712,774	17.4
Concreting	Certificate III	1,345,951	3.5
Demolition		786,383	2.0
Design & Drafting Service	Certificate IV in Building Design Drafting	11,178	0.0
Electrical	Certificate III in Electrical Fitting	2,807,451	7.3
External Painting	Certificate III in Painting and Decorating	1,540,110	4.0
Fencing	Certificate II in Civil Construction	1,502,580	3.9
Floor sanding	Certificate III in Flooring Technology	177,471	0.5
Gas fitting	Certificate III in Gas Fitting	858,414	2.2
Glazing	Certificate III in Glass and Glazing	595,024	1.5
Hot water unit change over	Certificate III in Plumbing	688,727	1.8
House cleaning	Certificate II in Cleaning	475,501	1.2
House sale separations		18,978	0.0
Internal painting	Certificate III in Painting and Decorating	4,310,868	11.2
Locksmith	Certificate III in Locksmithing	988,473	2.6
Pest control	Certificate III in Urban Pest Management	512,180	1.3
Plumbing & drainage	Certificate II in Plumbing Certificate II in Drainage	5,381,570	13.9
Roof plumbing	Certificate III in Roof Plumbing	1,256,696	3.3
Rubbish removal	Certificate II in Waste Management Certificate II in Furniture Removal	1,481,869	3.8
Tiling	Certificate III in Wall and Floor Tiling	813,001	2.1
Other			
Miscellaneous works		1,916,736	5.0
Auxiliary Services		229,845	0.6

Source: Procurement: SAHA (items and expenditure); Qualifications: <https://www.myskills.gov.au/>

¹¹ The economic impact of SAHA spending in South Australia was modelled using the detailed (78 industry sector) South Australian Input Output tables developed for the Department of Premier and Cabinet (Rippling and Morison, 2013), modified to adjust for actual and projected changes in the compensation of employees by sector. Only production impacts were included in the analysis (e.g. the impact of South Australian based suppliers to SAHA purchasing goods and services from other South Australian firms, and then those firms purchasing inputs from local suppliers and so on. Spending was allocated based on its nature between the sectors 'Waste Management'; 'Residential Building'; 'Construction Trades'; 'Wholesale Trade'; 'Professional, Scientific and Technical Services'; and 'Administrative Support Services'. It is important to note that these are gross impacts, and the estimated do not take into account any displacement effects from existing activity being crowded out by higher wages and returns on capital due to the spending being modelled.

The service activities acquired by SAHA in 2016/17 typically require a Certificate level III qualification, in particular if undertaken with supervisory function. For a small number of activities, however, lower level, Certificate II qualifications are available, notably for fencing, cleaning, plumbing/drainage, and waste management. Other activities may require Certificate IV qualifications, such as design & drafting.

Higher level qualifications are only indicative of the range and level of skills required and hired in public procurement. They are not a necessary condition that all of those hired to undertake a service job must meet. However, they suggest career opportunities that can be opened up for those who chose to take up and learn one of these trades. Importantly, they suggest scope for, and potential benefits of, linking public procurement to vocational education and training. This need not be limited to the specific commissioning requirement of the public sector, but may also be connected further to local and regional economic and business development opportunities. This could potentially open up job opportunities beyond the more narrow confines of public procurement projects.

5.1.1 Recommendations

To summarise, this report suggests there is inherent *social* as well as economic value in engaging social enterprise in commercial and, specifically, publicly procured projects that enable otherwise marginalised populations to engage in mainstream economic activities.

For many job seekers or apprentices and trainees entering the labour market with the support of a social enterprise, employment may, at least initially, be restricted to entry level positions. A strategic, developmental approach has the potential to sustain these incremental job gains and to open up new avenues to longer term career development. In order to assess this potential in full, it is recommended that the Authority:

- review public procurement needs (and recent spend) across SAHA to identify opportunities for a strategic procurement initiative;
- identify suburbs known or likely to benefit from targeted public procurement investments in the next two to three years;
- scope the potential for engaging social enterprises and other local businesses through public procurement;
- identify service and product gaps, and develop response strategies;
- explore need and benefit-costs of connecting public procurement to local vocational education and training;
- examine scope for aligning public procurement with regional economic and business development needs and opportunities; and
- trial a strategic procurement initiative.

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Appendix

Table A.1 Selection and Sources – Case Study 1

Impact Measure	Indicator	Trend	Source
Employment training	Active programme participation among 15-29 year-old jobseekers in jobactive, 2010-15	Table 5.3. Active programme participation is on the rise for young jobactive jobseekers (March 2015): Job search training: 2.2% Non-vocational assistance: 2% 88% are not NEET	OECD (2016), Investing in Youth: Australia, Investing in Youth, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264257498-en
General training for job	Active programme participation among 15-29 year-old jobseekers in jobactive, 2010-15	Table 5.3. Active programme participation is on the rise for young jobactive jobseekers (March 2015): Other activities: 17% (Training: 15.9%) 88% not NEET	OECD (2016), Investing in Youth: Australia, Investing in Youth, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264257498-en
Improvement in confidence (youth)	Self-esteem: Rosenberg Self-Esteem Scale; Sense of mastery: Pearlin–Schooler Mastery Scale	Latent growth curve analyses indicated that self-esteem increases during adolescence and continues to increase more slowly in young adulthood.	Ruth Yasemin Erol and Ulrich Orth (2011) Self-Esteem Development From Age 14 to 30 Years: A Longitudinal Study. Journal of Personality and Social Psychology, Vol. 101, No. 3, 607–619 Wagner, J., Lüdtko, O., Jonkmann, K., Trautwein, U. (2012). Cherish yourself: Longitudinal patterns and conditions of self-esteem change in the transition to young adulthood. Journal of Personality and Social Psychology. Advance online publication. doi: 10.1037/a0029680 SE1 Evaluation report Table 7.
Cost of driving licence (AUD)		Typical cost – about 80% of young South Australians have a driving licence	https://www.driverknowledge.com/resources/what-is-the-real-cost-of-getting-a-car-licence/ ; https://chartingtransport.com/2015/03/09/trends-in-drivers-license-ownership-in-australia/
Cost of forklift licence (AUD)		Typical cost	https://aceforklifttraining.com.au/faqs/forklift-licence-cost/
Cost of First Aid Course (AUD)		Typical cost	http://www.firstaidtrainingadelaidecbd.com.au/?First-Aid:Info:1685:=&qclid=EA1alQobChMI7aPbhrW52wIViw4rCh14QgmEAAAYASAAEqKv4fD_BwE&redirect=1
Cost of Asbestos removal Class B licence (5 year) (AUD)		Typical cost	https://www.safework.sa.gov.au/law-compliance/licensing/apply-licence/asbestos-licences
Relief from drug and alcohol problems	Alcohol consumption	Young adults were drinking less—a significantly lower proportion of 18–24 year olds consumed 5 or more standard drinks on a monthly basis (from 47% in 2013 to 42% in 2016).	National Drug Strategy Household Survey (NDSHS) 2016—key findings. Web report. https://www.aihw.gov.au/reports/illicit-use-of-drugs/ndshs-2016-key-findings/contents/highlights-from-the-2016-survey SE1 Evaluation report Table 12.
Enrolling in vocational education	Transition from NEET to education	Figure 2.A3.1. Only 16% of youth in Australia spent more than one year in total as NEETs between 2009 and 2012	OECD (2016), Investing in Youth: Australia, Investing in Youth, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264257498-en

Table A.1 Selection and Sources – Case Study 1 (continued ...)

Impact Measure	Indicator	Trend	Source
Full-time employment	Full-time employment rate	April 2018 (persons): Civilian pop 15-24 years old: 3213.9 Employment: 1917.0 (i.e. 27 of civilian pop is employed) Full time employment: 851.0 Part-time employment:1066.1	6202.0 Labour Force, Australia Table 15. Labour force status for 15-24 year olds by Educational attendance (full-time) and Sex http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6202.0.55.003Jan%202018?OpenDocument
Part time employment	Part-time employment rate	As above Part-time employment:1066.1 (33% of civilian pop)	As above.
Self-employment	Self-employment rate	2013: 6% of 20-24 year olds	Reporting Card 2015: How are young people faring in the transition from school to work? https://www.fya.org.au/wp-content/uploads/2015/11/How-young-people-are-faring-report-card-2015-FINAL.pdf
Member of social group	Number of friends	% 18-24 yrs with 3 or more friends they can confide in: 2006: 65% 2010: 67%	Australian Research Alliance for Children and Youth (2013) The Report Card: The wellbeing of young Australians. Aracy.org.au https://www.aracy.org.au/documents/item/104
Financially better off	Able to pay for housing	60% of young people living at home don't pay rent	https://www.illawarramercury.com.au/story/5440135/20k-a-year-each-young-adults-living-at-home-costing-parents-big-money/
Improvement in confidence (Peers)	As above	As above	Orth, U., Maes, J., & Schmitt, M. (2015). Self-esteem development across the life span: A longitudinal study with a large sample from Germany. <i>Developmental Psychology</i> , 51(2), 248-259. http://dx.doi.org/10.1037/a0038481
Family is getting on better	Question "I have frequent arguments"	Change from 45% to 26%	SE1 Evaluation report T12
Reduced training and induction costs		Typical cost	Use project staff costs as guide
Reduced recruitment costs		Typical cost	http://www.atep.org.au/for-employers/the-cost-of-recruitment-effective-hiring/
Mentors' self-worth enhanced		Global Value Exchange: increased consumption due to low self-esteem.	http://www.globalvaluexchange.org/valuations/search?q=self-esteem

Table A.2 Deadweight, displacement, attribution and drop off – assumptions and chosen values – Case Study 1

Impact Measure	Indicator	Trend	Typical trend (a) in %	Change in reported activity on project (b) in %	Deadweight a/(a+b) (How much of the outcome would have anyway?)	Displacement in % (Did the outcome displace another?)	Attribution in % (Did anyone else contribute?)	Drop off in % (How long will the outcome last?)
Employment training	Active programme participation among 15-29 year-old jobseekers in jobactive, 2010-15	Table 5.3. Active programme participation is on the rise for young jobactive jobseekers: March 2015: Job search training: 2.2%; Non-vocational assistance: 2%; 88% are not NEET	88	76 (22 out of 29)	54	100 (benefit conditionality, work compulsion)	0	0
General training for job	Active programme participation among 15-29 year-old jobseekers in jobactive, 2010-15	Table 5.3. Active programme participation is on the rise for young jobactive jobseekers: March 2015: Other activities: 17% (Training: 15.9%) 88% not NEET	88	76 (22 out of 29)	54	0	0	0
Improvement in confidence (youth)	Self-esteem: Rosenberg Self-Esteem Scale; Sense of mastery: Pearlin–Schooler Mastery Scale	Latent growth curve analyses indicated that self-esteem increases during adolescence and continues to increase more slowly in young adulthood.	90	21 (6 out of 29)	81	0	0	0
Cost of driving licence (AUD)		Typical cost – about 80% of young South Australians have a driving licence	80	21 (6 out of 29)	79	0	0	0
Cost of forklift licence (AUD)		Typical cost	Use typical cost	4	0	0	0	0
Cost of First Aid Course (AUD)		Typical cost	Use typical cost	2	0	0	0	33 (First Aid certificates should be renewed every 3 years)
Cost of Asbestos removal Class B licence (5 year) (AUD)		Typical cost	Use typical cost	1	0	0	0	20 (removal licence valid for 5 years)
Relief from drug and alcohol problems	Alcohol consumption	Young adults were drinking less—a significantly lower proportion of 18–24 year olds consumed 5 or more standard drinks on a monthly basis (from 47% in 2013 to 42% in 2016).	58	10 (3 out of 29)	85	0	0	0

Table A.2 Deadweight, displacement, attribution and drop off – assumptions and chosen values – Case Study 1 (continued ...)

Impact Measure	Indicator	Trend	Typical trend (a) in %	Change in reported activity on project (b) in %	Deadweight a/(a+b) (How much of the outcome would have anyway?)	Displacement in % (Did the outcome displace another?)	Attribution in % (Did anyone else contribute?)	Drop off in % (How long will the outcome last?)
Enrolling in vocational education	Transition from NEET to education	Figure 2.A3.1. Only 16% of youth in Australia spent more than one year in total as NEETs between 2009 and 2012	84	3 (1 out of 29)	97	0	0	33 (3-year course duration)
Full-time employment	Full-time employment rate	April 2018 (persons): Civilian pop 15-24 years old: 3213.9 Employment: 1917.0 (i.e. 27 of civilian pop is employed) Full time employment: 851.0 Part-time employment:1066.1	27	45 (13 out of 29)	38	0	0	25 (assuming 4 years effect: casual, precarious employment and young people's tendency to switch/leave employers)
Member of social group	Number of friends	% 18-24 yrs with 3 or more friends they can confide in: 2006: 65% 2010: 67%	67	6 (2 out of 29)	92	0	0	0
Financially better off	Able to pay for housing	60% of young people living at home don't pay rent; assume they start paying/contributing to housing cost	40	36 (8 out of 14 living at home, 22 total)	53	0	0	25 (assuming 4 years effect: casual, precarious employment and young people's tendency to switch/leave employers)
Improvement in confidence (Peers)	As above	As above	90	Assume 50% deadweight as effect at most indirect	50	Assume 50% to allow for 'natural development' and alternative influences	0	33 (tapering off of effect with time)
Family is getting on better	ARC report T12 question "I have frequent arguments"	Change from 45% to 26% ((a) and (b) use inverse to measure outcome as positive value)	55	74	43	0	0	33 (tapering off of effect with time)

Table A.2 Deadweight, displacement, attribution and drop off – assumptions and chosen values (continued ...)

Impact Measure	Indicator	Trend	Typical trend (a) in %	Change in reported activity on project (b) in %	Deadweight a/(a+b) (How much of the outcome would have anyway?)	Displacement in % (Did the outcome displace another?)	Attribution in % (Did anyone else contribute?)	Drop off in % (How long will the outcome last?)
Reduced training and induction costs		Typical cost	50% non-management project staff wages per trainee (AUD)	8 employers	0	50	0	33 (up to 3 3-6-month programs generating 3 opportunities per year)
Reduced recruitment costs		Typical cost	Use typical recruitment costs	8 employers	0	50	0	33 (up to 3 3-6-month programs generating 3 opportunities per year)
Mentors' self-worth enhanced		Global Value Exchange: increased consumption due to low self-esteem.	Assume 50% deadweight as causal direction ambiguous	4	50	50	0	33 (up to 3 3-6-month programs generating 3 opportunities per year)

Deadweight indicators

Table A.3 Selection and Sources – Case Study 2

Impact Measure	Indicator	Trend	Source
Employment	<p>Employment-to-population ratio for people with disability aged 15–64 years (Table 15A.74)</p> <p>Users of supported employment services/ Australian Disability Enterprises aged 15–64 years (Table 15A.52 Proportion of the potential population aged 15–64 years and adjusted for labour force participation who used Australian Disability Enterprises)</p>	<p>Table 15A.74 (SA) 2012 (persons): 45.8% 2009 (persons): 46.8%</p> <p>Table 15A.52 (SA) 2014/15 (persons): 13.6% 2013-14 (persons): 13.9%</p>	Productivity Commission (2017) Report on Government Services 2017. VOLUME F, CHAPTER 15.
Improvement in confidence (youth)	<p>Self-esteem: Rosenberg Self-Esteem Scale; Sense of mastery: Pearlín–Schooler Mastery Scale</p>	<p>Latent growth curve analyses indicated that self-esteem increases during adolescence and continues to increase more slowly in young adulthood.</p> <p>“Major physical disabilities do not seem to affect general self-esteem as much as minor physical disabilities do.” (Miyahara and Piek, Abstract)</p> <p>“...actively living PwPD have significantly higher SE comparing those PwPD who are living sedentary life style.” (Nemček, Abstract)</p> <p>In 2015, around 2 in 5 people aged 15–64 with disability living in the community (41%), and nearly 2 in 3 of those with severe or profound limitation (62%), had avoided community situations because of their disability in the previous 12 months (Table A9).</p>	<p>Erol, R. Y. and U. Orth (2011) Self-Esteem Development From Age 14 to 30 Years: A Longitudinal Study. <i>Journal of Personality and Social Psychology</i>, Vol. 101, No. 3, 607–619</p> <p>Wagner, J., Lüdtko, O., Jonkmann, K., Trautwein, U. (2012). Cherish yourself: Longitudinal patterns and conditions of self-esteem change in the transition to young adulthood. <i>Journal of Personality and Social Psychology</i>. Advance online publication. doi: 10.1037/a0029680</p> <p>Miyahara, M. and J. Piek (2006) Self-Esteem of Children and Adolescents with Physical Disabilities: Quantitative Evidence from Meta-Analysis, <i>Journal of Developmental and Physical Disabilities</i>, Vol. 18, No. 3, September 2006</p> <p>Nemček, D. (2017) Self-Esteem in People with Physical Disabilities: Differences between Active and Inactive Individuals. <i>Acta Facultatis Educationis Physicae Universitatis Comenianae</i> Vol. 57 No 1 2017</p> <p>Australian Institute of Health and Welfare 2017. Disability in Australia: changes over time in inclusion and participation in community living. Cat. no. DIS 67. Canberra: AIHW.</p>

Table A.3 Selection and Sources – Case Study 2 (continued)

Impact Measure	Indicator	Trend	Source
Smoking cessation		<p>People aged 15–64 with severe or profound disability were twice as likely as those without disability to smoke daily (31% versus 15%) and 1.8 times as likely as those without disability to start daily smoking before the age of 18 (41% versus 23%). (AIHW)</p> <p>“At the 12 month follow up 16.6% of participants reported they were not smoking.” (Ashton et al., Abstract)</p> <p>Quit ratio: about 57% of Victorians ex-smokers quit for at least one year. Conversely, about 40% relapse within a year. Considerable age variations, but few other variations.</p>	<p>Australian Institute of Health and Welfare 2016. Health status and risk factors of Australians with disability 2007–08 and 2011–12. Cat. no. DIS 65. Canberra: AIHW.</p> <p>Ashton, M., Miller, CL, Bowden, JA, & Bertossa, S, People with mental illness can tackle tobacco. Australian and New Zealand Journal of Psychiatry, 2010. 44: p. 1021-1028. [Note: no control group].</p> <p>Hayes L, Durkin S, Bain E, Wakefield M. Smoking prevalence and consumption in Victoria: key findings from the Victorian Smoking and Health population surveys. CBRC Research Paper Series No.47. Prepared for: Quit Victoria. Centre for Behavioural Research in Cancer, Cancer Council Victoria: Melbourne, Australia, December 2016.</p>
Member of social group	<p>People with disability aged 15–64 years who travelled to a social activity in the last two weeks (Table 15A.90)</p> <p>People with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week (Table 15A.92)</p>	<p>Table 15A.90 (SA, persons) Proportion of people with disability aged 15–64 years 2015: 91.7% 2012: 88.5</p> <p>Proportion of people with disability aged 15–64 years who have had face-to-face contact with ex-household family or friends in the previous week 2015: 72.5 2012: 78%</p>	Productivity Commission (2017) Report on Government Services 2017. VOLUME F, CHAPTER 15.
Financially better off	Able to save regularly	<p>36.2% of those receiving Disability Support Pension were living below the poverty line (50% of median income)</p> <p>“People living with a long-term illness or disability had a financial wellbeing score of 51 out of 100, eight points below the national average” (ANZ, p. 28)</p>	<p>Australian Council of Social Service (2016), Poverty in Australia 2016, ACOSS, Strawberry Hills.</p> <p>ANZ (2018) Financial Wellbeing. A survey of Adults in Australia. Australia and New Zealand Banking Group</p>
Participants: ‘Social learning’, feeling safe	Relief from depression/anxiety (adult)	<p>“Bullying was measured using both a widely accepted international definition and the Australian definition used by Safe Work Australia. The six-month prevalence rates using the international and the Australian definitions were similar at 9.7 per cent and 9.4 per cent of workers respectively.” (p.3)</p> <p>“People with intellectual disability are at increased risk for both violent and sexual victimisation and Offending.” (Fogden et al., Abstract). But not true for non violent non sexual victimisation (no difference).</p>	<p>Potter, R.E., M.F. Dollard and M. R. Tuckey (2016) Bullying and harassment in Australian workplaces: results from the Australian Workplace Barometer Project 2014/15. Canberra: Safe Work Australia</p> <p>Fogden, B.C., S. D. M. Thomas, M. Daffern and J. R. P. Ogloff (2016) Crime and victimisation in people with intellectual disability: a case linkage study. BMC Psychiatry (2016) 16:170 DOI 10.1186/s12888-016-0869-7</p>

Table A.3 Selection and Sources – Case Study 2 (continued)

Impact Measure	Indicator	Trend	Source
Residents: 'Social learning/sense of understanding	Good neighbourhood	Complex measurement: assuming that contact/seeing changes attitudes (Fisher et al.) and that the indicator captures this as a positive sense of understanding, combining with evidence that people with disability are 21% less likely to get help when they need it (Cebulla & Zhu).	Karen R. Fisher & Christiane Purcal (2017) Policies to change attitudes to people with disabilities, <i>Scandinavian Journal of Disability Research</i> , 19:2, 161-174, DOI: 10.1080/15017419.2016.1222303 Cebulla, A. & R. Zhu (2015): Disability, and social and economic inclusion: who is in and out of the Australian National Disability Insurance Scheme?, <i>Scandinavian Journal of Disability Research</i> , DOI: 10.1080/15017419.2015.1064026
Family/friends are getting on better	People with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week	Table 15A.93 Number of persons with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week (SA, persons) 2015: 72.5% 2012: 78%	Productivity Commission (2017) Report on Government Services 2017. VOLUME F, CHAPTER 15.
Environmental benefit	Resolution of problems with scruffy gardens/landscaping	n/a	
Supervisor's self-worth enhanced		Global Value Exchange: increased consumption due to low self-esteem.	http://www.globalvaluexchange.org/valuations/search?q=self-esteem
Contractor receiving quality work with restricted budget	Investment brought forward in time: assume 7% discount rate as social benefit	Apply to total staff costs	Office of Best Practice Regulation (OBPR) (2007), "Best Practice Regulation Handbook". Canberra: Department of Finance and Deregulation

Table A.4 Deadweight, displacement, attribution and drop off – assumptions and chosen values – Case Study 2

Impact Measure	Indicator	Trend	Typical trend (a) in %	Change in reported activity on project (b) in %	Deadweight a/(a+b) (How much of the outcome would have anyway?)	Displacement in % (Did the outcome displace another?)	Attribution in % (Did anyone else contribute?)	Drop off in % (How long will the outcome last?)
Employment training/General training on the job	Employment-to-population ratio for people with disability aged 15–64 years (Table 15A.74)	Table 15A.74 (SA) 2012 (persons): 45.8% 2009 (persons): 46.8%	45	100	31	0	0	9-week project, assume high risk of drop off, if not repeated: 80%
Improvement in confidence (youth)	Self-esteem: Rosenberg Self-Esteem Scale; Sense of mastery: Pearlin–Schooler Mastery Scale	Self-esteem typically increases with age (but dropping off in later age); major physical disabilities impact little, if at all; active living enhances self-esteem; 40%-60% of people with disability avoid community situations	50	50	33	0	0	33% (tapering off of effect with time)
Smoking cessation		People with severe or profound disability twice as likely as those without disability to smoke daily (31% versus 15%)(AIHW) “At the 12 month follow up 16.6%...were not smoking.” (Ashton et al., Abstract) Relapse ratio about 40%	6 (20% give up smoking in a year; of 30% smoking)	10	38	0	0	Relapse after one year: 40%
Member of social group	People with disability aged 15–64 years who travelled to a social activity in the last two weeks (Table 15A.90) People with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week (Table 15A.92)	Table 15A.90 (SA, persons) Proportion of people with disability aged 15–64 years 2015: 91.7% 2012: 88.5 Proportion of people with disability aged 15–64 years who have had face-to-face contact with ex-household family or friends in the previous week 2015: 72.5 2012: 78%	80	50	62	0	0	0 Assume relationships last
Financially better off	Able to save regularly	36.2% of those receiving Disability Support Pension living below the poverty line People with disability had a financial wellbeing score of 51 out of 100, 8 points below average” (ANZ, p. 28)	5 (household savings rate approx. 10%; 10% of 50% not in poverty=5%)	10	33	0	0	9-week project, assume high risk of drop off, if not repeated: 80%
Participants: ‘Social learning’, feeling safe	Relief from depression/anxiety (adult)	Six-month bullying prevalence rates about 9-10 per cent of workers.” “People with ID at increased risk of violent and sexual victimisation, not nonviolent/ nonsexual.	90 (100-10 being bullied)	100	47	0	0	9-week project, assume high risk of drop off, if not repeated: 80%

Table A.4 Deadweight, displacement, attribution and drop off – assumptions and chosen values – Case Study 2 (continued)

Impact Measure	Indicator	Trend	Typical trend (a) in %	Change in reported activity on project (b) in %	Deadweight a/(a+b) (How much of the outcome would have anyway?)	Displacement in % (Did the outcome displace another?)	Attribution in % (Did anyone else contribute?)	Drop off in % (How long will the outcome last?)
Family/friends are getting on better	People with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week	Number of persons with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week (SA, persons) 2015: 72.5%	72	100	42	0	0	9-week project, assume high risk of drop off, if not repeated: 80%
Residents: Environmental benefit	Resolution of problems with scruffy gardens/landscaping	Assume 10 year refurbishment cycle for both deadweight and drop off calculation	10	100	9	100	0	Assume 10 year refurbishment cycle: 10%
Supervisor's self-worth enhanced		Global Value Exchange: increased consumption due to low self-esteem.	Assume 50% deadweight as causal direction ambiguous	100	50	0	0	9-week project, assume high risk of drop off, if not repeated: 80%