



2014 Social Return on Investment Analysis – Mid West Academy of Sport

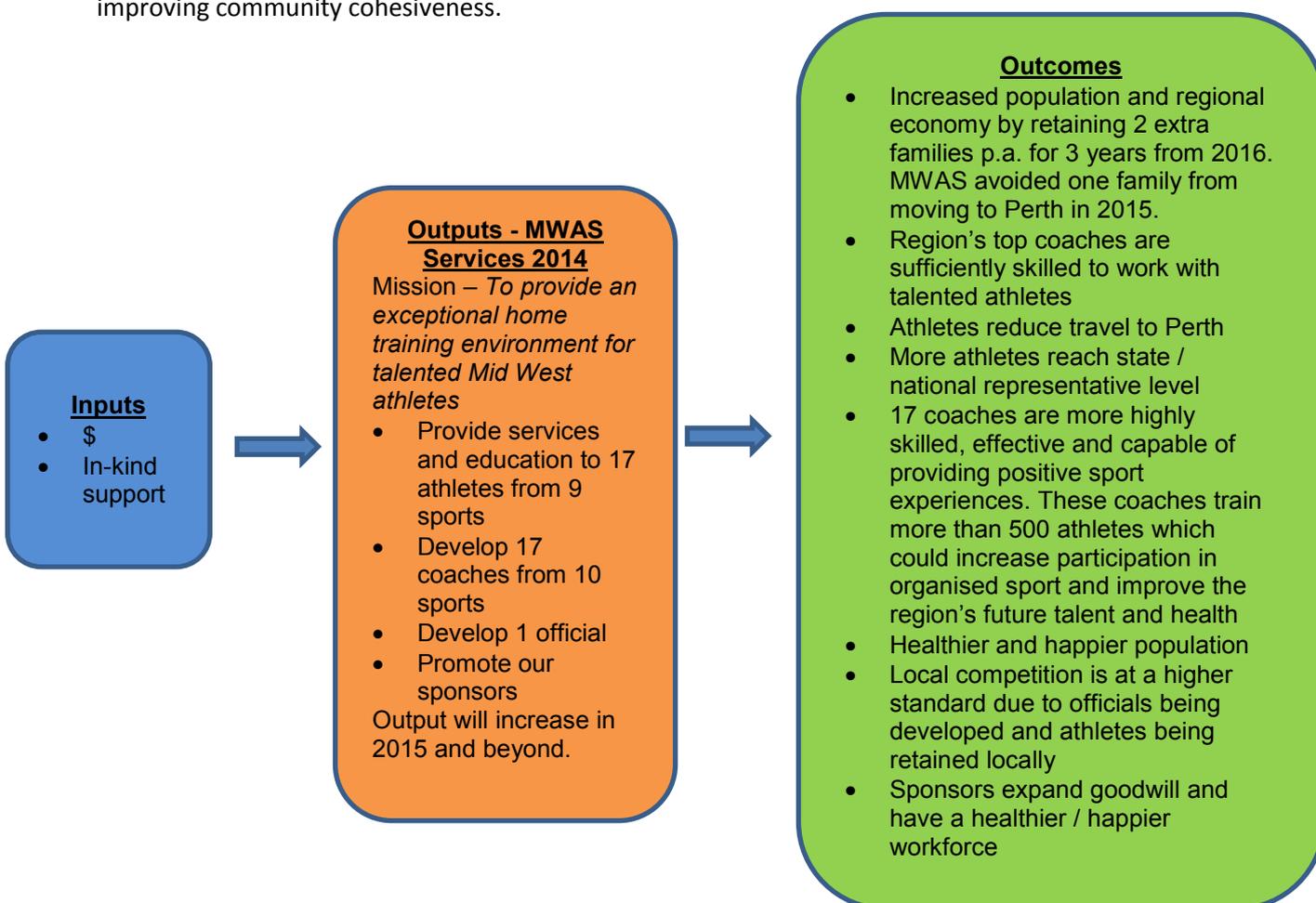
Executive Summary

The Mid West Academy of Sport (MWAS) has been operating since January 2014. This document provides a result of the social return on investment (SROI) that MWAS created for stakeholders in 2014. It also provides a forecast of future impact. SROI is a method by which the impact created from a program or investment can be measured and converted into monetary value (Nicholls et al. 2012, p. 8). This SROI analysis seeks to quantify the positive and any negative impacts in order to determine the aggregate value of the change that MWAS created in 2014.

When the impact of the MWAS program in 2014 is converted into a monetary value, the SROI results show that for each dollar of input into the MWAS, at least \$1.73 worth of social value is created. There are also significant benefits such as the impacts on community health that have not been included in the monetary value, due to the challenge of accurately quantifying this.

A summary of the outcomes that MWAS creates:

- Increases the number and performance level of local sporting champions and community role models;
- Attracts and retains multiple families in the Mid West region (MWAS avoided one family from moving in 2014); and
- Increases participation in organised / club sport, therefore creating potential healthcare cost savings and improving community cohesiveness.



Introduction

This SROI result is prepared by MWAS for funding agencies and for corporate investors. The analysis has been implemented using a six-phase approach, as recommended by the SROI Network - Nicholls et al. (2012, p. 9-10). I.e. Establish scope, identify stakeholders, map the outcomes, identify key performance indicators (KPIs) to measure outcomes, calculate the SROI and summarise the findings.

This analysis measures the change created in 2014. The impact for 2015 will expand, as the coach development program has expanded from 16 coaches to 21 coaches.

Scope and Stakeholders

At MWAS, we believe that all athletes should have the opportunity to reach their potential. The purpose of MWAS is 'to provide an exceptional home training environment for talented Mid West athletes'. The strategies to achieve this are to provide development scholarships to athletes, coaches and officials. The scholarships are primarily serviced-based.

It is important to note that this analysis is limited to measuring the value that MWAS creates for the community within the Mid West region. Stakeholders such as government and sponsors will need to engage in further analysis to identify how the social, economic and health value created will impact their organisation.

The analysis provides a particular focus on the impact MWAS creates for stakeholders that receive services or other forms of direct influence. It must be recognised that all people within the Mid West region are actually a stakeholder of MWAS and that there are additional stakeholders such as the Australian Sports Commission, the Western Australian State Government and the Western Australian Institute of Sport that will benefit, for example, when MWAS athletes continue to Australian representation.

SROI Results Discussion

Total quantifiable* value (impact) = \$600,042 value from 2014 operations.

Total value of inputs = \$346,000 for one year.

Value gained (difference) = \$252,042

SROI Ratio* (input : impact) = \$1 : \$1.73

* There are significant impacts that MWAS is not able to accurately measure due to the absence of reliable financial proxies. These primarily include the value of athlete progression to higher representation, the community health impacts and also the value created for MWAS sponsors. It must also be noted that economic multipliers have not been applied in order to ensure a conservative result.

Athlete Scholarships – What is the value of the services provided?

The annual service package for each athlete was adjusted to suit their needs. An example of an annual service package is located at table 1.

Total values that were provided to each athlete in 2014 –

- **\$7,000 + in services directly from MWAS** – see table 1 below
- \$3,000 + in development services directly to the athlete's coach
- \$2,000 + in technical / tactical coaching provided by the relevant state & regional sport association
- Due to the improved home training environment athletes reduced travel to Perth. Based on the rate of 74c/km, a Geraldton-based athlete would save \$666 in vehicle travel alone for each trip to Perth that is avoided. This amount does not include salary/ time loss, accommodation costs, or potential savings through car-pooling. Some athletes in 2014 avoided eight trips and the average number of trips avoided was two.

Table 1 - Sample Annual Athlete Service Package

Services, facilities and equipment	How many times per year?	Per athlete retail / commercial value **
Medical / Physio		
Medical screening	1	\$200
Physiotherapy / functional movement screening	1	\$100
Physiology / Strength & Conditioning		
Physiological performance testing (field and lab)	2 - 3	\$400
Strength and conditioning plan developed that is tailored to the athlete's requirements and is reviewed and updated as required throughout the year.	Ongoing throughout the year	\$1,500
Monitoring of athlete's training diary, wellbeing and progression	Ongoing throughout the year	\$500
12 month gym membership at Central West Health and Rehab. Athletes are supervised every time they choose to train at the gym	Ongoing throughout the year	\$600
Supervised group weekly conditioning sessions	100+ / Ongoing throughout the year	\$1,500
Supervised outdoor group technical conditioning sessions (includes sprint techniques etc.)	20	\$400
Sport Psychology		
Individual 40 minute sport psychology consultations	5	\$700
Group athlete sport psychology education seminars	3	\$90
Parent sport psychology education seminar	3	\$90
Nutrition		
Diet habit assessment	1	\$50
Nutrition education workshops	2	\$50
Additional athlete education		
Delivery of <i>Developing Champions</i> athlete education program	2 seminars + online modules	\$200
Media training seminar & opportunity for on-air exposure / interviews. Thanks to Geraldton Guardian and Spirit Radio	1 – 2 workshops and multiple media opportunities	\$50
Equipment		
Uniform from SportsPower Geraldton	1	\$200
Discretionary support		
Budget to spend on additional services if required and requested	1	\$200
Coach support – if coach is accepted to MWAS Coaching Effectiveness Program		
Access to Coaching Effectiveness Consultant	Ongoing throughout the year	\$3,000
Coaching psychology and other seminars	3 - 6	\$300
Sport Specific Coaching *		
Technical / tactical coaching provided by the State and Regional sport associations.	Average of 65 sessions per year	\$2,000

* Technical / tactical sessions are provided by the state and regional sport associations. All other services are provided through the MWAS.

** The retail / commercial value is not necessarily what MWAS pays for services. It is what it could cost the athlete or their sport association to buy the service. Group sessions are low-cost due to costs being shared across a number of athletes.

In 2015 coaches will also receive \$300 - \$600 in funding for their development and athletes will receive a \$200 equipment voucher to spend at SportsPower and \$200 of discretionary budget to spend on additional services.

The Changes That MWAS Created For Athletes In 2014

MWAS surveyed the parents and the coaches of 2014 MWAS athletes. Some key results* of change were:

- > 90% of athletes improved their ability to perform during the year and displayed a greater level of commitment;
- 64% of athletes were selected to the WA state team for their chosen sport;
- > 83% of athletes became stronger;
- > 58% of athletes became aerobically fitter;
- > 50% of athletes became faster;
- > 50% of athletes became technically better;
- > 65% of athletes became tactically better;
- 100% of athletes progressed to more advanced strength and conditioning programs;
- > 75% of athletes became mentally more prepared; and
- 100% of athletes were either assisted to manage or avoid injuries.

*The changes were observed anecdotally by the coaches and the parents.

Community Health Impact

It is difficult to estimate the impact that MWAS has on the health of Mid West communities. Assumptions can be made that the MWAS will create healthier, safer, more cohesive communities by developing more effective coaches that are able to not only develop a higher calibre of athlete, but also can provide people with a more engaging and positive sporting experience, which could increase physical activity.

Physical activity creates significant cost-savings for government due to its ability to aid disease prevention. In 2011, a lack of physical activity was the cause of 6% of all diseases and injuries in Western Australian (WA) and caused more than 1,000 deaths. In 2011, 55% of the WA population aged from 16 to 64 years did not meet the National Physical Activity Guidelines for Australians. This statistic has worsened since 2006 where the figure reported was 47% (Department of Health WA, 2012, p. 41).

In 2005, obesity cost the WA economy \$2.1 billion (Department of Sport and Recreation of Western Australia (WADSR), 2009, p. 27). In 2011 the WA population was 2,239,170 (Australian Bureau of Statistics (ABS), 2013) and the population of the Mid West was 56,614 (Mid West Development Commission (MWDC), 2013). If 2011 WA obesity costs remained at the 2005 level of \$2.1 billion, this would have equated to an average annual cost of \$937.85 per person and \$53,095,298 for the Mid West region.

Economic Impact and Retaining Families in the Region

Due to the services provided and the improved home training environment, MWAS avoids or delays some families from moving out of the Mid West region to live closer to suitable sporting services. Additionally, MWAS could provide an incentive for families with talented children to relocate to the Mid West. MWAS has avoided one family from moving to Perth in 2015. The forecast impact on family retention from 2016 is that the MWAS will cause two additional families per year to reside in the Mid West region for an additional three years. The economic impact with no multiplier is based on the Australian average household expenditure at \$64,272 (ABS, 2013). The formula for calculation includes a discount of 3% for CPI p.a. Therefore, $(64,272) \times (2 \text{ families}) \times (3 \text{ years of residence with } 3\% \text{ CPI p.a.}) = \$409,235$. The figure was reduced by 20% to \$327,388 to account for families spending a portion of their income in other regions, for example during holidays and online shopping. This value has been suppressed further by not applying an economic multiplier for family expenditure.

The gross domestic product of the Mid West region in 2010/11 was \$6.1 billion (Mid West Development Commission 2013). Considering that it cannot be assumed that an increase in population leads to an increase in GDP, the impact on GDP has not been included in the SROI ratio. However it is possible that the impact of the MWAS will slightly increase the regional GDP.

Other Impacts

In addition to the challenge of accurately valuing the impact on the Western Australian State's health system and the regional economy, it is also difficult to quantify the value that is created for the sponsors of the MWAS. Whilst the MWAS can provide up to \$16,000 output of radio and print advertising each year, there are other outputs such as MWAS events, signage, word of mouth, social media, website and newsletters that will all create significant value for the sponsors, particularly goodwill and legitimacy.

It is also very difficult to place a value on the progression of athletes, e.g. from regional to state representation. The state sport associations (SSAs) that MWAS supports will have varying methods of doing so, and the value will vary for different sports.

Conclusion

The SROI analysis highlights the social dividend created by the MWAS. The SROI ratio conservatively reveals that for every dollar of input into the MWAS, at least \$1.73 of value is created and this does not include social values such as health. As the number of athletes and coaches being supported increases into the future, this will increase the impact.

Appendix - SROI Impact Map – Snapshot forecast for 2014 – 12 months

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Stakeholder	Inputs		Outputs	Outcomes							Dead-weight	Displacement	Attribution	Drop off	Impact
	Who did MWAS effect?	Investment		Value \$	Description	Indicator	Source	Quantity	Duration years	Financial proxy					
State Government	Finance State Gov.	220k	Summary 17 Athletes receive scholarship services	Healthier population	State health stats	WA Dep. Health	-	-	-	Not known	-	-	-	-	Value unknown
	Finance Local Gov.	28k	600 Athletes received better coaching	Increased population by retaining or attracting 2 extra households p.a. for 3 years. And extra \$250,000 exc. GST spent by MWAS in local economy	Retention or attraction of families	Athlete Scholarship families to be questioned. Would have they departed? Would they have moved here without MWAS	2 households	3	ABS (2013) average household expenditure + 3% CPI x 80%	327,388 created over 3 years	MWDC (2013)	-	-	-	327,388
				MWAS accounts	MWAS budget		1	1	MWAS accounts	250,000	MWAS Budget	-	-	-	250,000
Corporate sponsors	finance	20k	600 community athletes received more effective coaching	Business promotion, Goodwill, healthier / happier workforce	To be evaluated by sponsors	-	-	-	-	To be evaluate by sponsors	-	-	-	-	TBC by sponsors
Coaches on scholarship	-	-		Region's top coaches are sufficiently skilled to work with talent	Athlete progression to be monitored	State team makeup	Est. 4 p.a.	-	-	-	-	5	10	10	3 extra athletes per year make state rep. Value unknown
Athletes / families on scholarship	finance	500 each	17 athletes received 120 training sessions each per year	Reduce travel to Perth by 3 trips p.a. for 16 athletes	Reported cost savings from families	Families surveyed	48	1	74c / km + \$0 hotel	41654	ATO (2013)	-	-	-	41654 Total saving for the families
			10,000 advertising + 10,000 editorial	More athletes reach state rep level	Athlete progression to be monitored	State team makeup	Est. 4 p.a.	-	-	-	-	5	10	10	3 extra athletes per year make state rep. Value unknown
Athletes receiving service from coaches on scholarship (exc. athletes on scholarship)	-	-	16 coaches received ongoing development	10% Progress to academy level	Conversion of athletes into MWAS	Progression to be monitored by MWAS	6	1	N/A	N/A	N/A	-	10	40	3 per year progress due to MWAS
Club sport athletes receiving coaching from the 16 club coaches that MWAS developed	-	-		More coaches are more highly skilled & effective coaches in community	Coach analysis software and Leadership Scale for Sport	MWAS Coaching Effectiveness Consultant to monitor	30	1	N/A	N/A	-	-	-	-	Health value from better coaches is unknown
State and Regional Sport Associations and their coaches that are both volunteer and paid	finance	250 athletes. 1500 coach. 1000 official. 15,500 total		Improvement of athletes' technical / tactical abilities x 500 athletes from 10 sports	Question SSAs Are athletes progressing up athlete pathway?	Question sport associations Are MWAS athletes named on state / national teams?	-	-	-	-	-	-	-	-	RSA / SSA to evaluate
			Technical coaching in-kind x 120 sessions per athlete												
Media partners	In-kind advertising	10,000		Improved goodwill of media partners. Promotion of MWAS and sponsors	Media monitoring	MWAS	N/A	1	Est. includes value of news	20,000	Est. input + value of news coverage	20	-	-	16,000

Based on Nicholls et al. (2012)

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