

3 September 2021

Report to Community First Development

# Social and Economic Impact Assessment of Community First Development

Final Report



We acknowledge Aboriginal and/or Torres Strait Islander peoples as the Traditional Custodians of our land and its waters. ACIL Allen wishes to pay its respects to Elders, past and present, and to the youth, for the future. We extend this to all Aboriginal and/or Torres Strait Islander peoples reading this report.



**Goomup, by Jarni McGuire**

In 2021, ACIL Allen commissioned an original artwork from Nyungar artist Jarni McGuire. The artwork is an expression of where we work, how we work and why we work. We are so pleased to be able to share this vibrant representation of our commitment to a just, equitable, reconciled Australia.

**Artists Statement:** The artwork represents the river, in particular, Goomup (Elizabeth Quay). I felt that representing the ACIL Allen Perth office location was vital for the expression of their work. The dashes of colours surrounding the river represent the collaboration of the people that work within ACIL Allen and their diversity of people.

The 6 pillars you see surrounding the artwork represent the Nyungar 6 seasons and how we adapt and move through these seasons. The same country and seasons my ancestors would have had to adapt to.

I have used the brand colours along with the oranges and pinks, to demonstrate the vibrancy and effectiveness of the firm and commitment to their clients.

To the far right of the painting, the lone pillar represents the company's 5 primary values: collaborative, insightful, adaptable, quality and independent. I've included an extra one to represent ACIL Allen going beyond their primary values now and into the future.

I really wanted this piece to represent ACIL Allen and the people working there and their connection to Nyungar Boodja (country).

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ACIL Allen is a leading independent economics, policy and strategy advisory firm, dedicated to helping clients solve complex issues.

Our purpose is to help clients make informed decisions about complex economic and public policy issues.

Our vision is to be Australia's most trusted economics, policy and strategy advisory firm. We are committed and passionate about providing rigorous independent advice that contributes to a better world.

### Suggested citation for this report

*ACIL Allen (2021), Social and Economic Impact Assessment of Community First Development, Report commissioned by Community First Development*

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# COMMUNITY FIRST DEVELOPMENT SOCIO-ECONOMIC IMPACT STATEMENT

Community First Development (formerly named Indigenous Community Volunteers until 2020) is a community development and research organisation, that co-creates positive change with First Nations peoples and communities.

Since 2000, Community First Development's staff and its network of volunteers have undertaken over 5,000 community development projects, supported by donations from over 75,500 people.

The organisation's approach is centred on the principle of self-determination, which allows First Nations people to take ownership of what they envisage their communities could look like, and the projects required to realise that vision.

## Operational snapshot for 2020-21



111

Community partners across remote, regional and urban Australia



31

Salaried staff, primarily supporting delivery of community projects



43

Volunteers placed, who contributed 3,785 days



149

Projects, 49 commencing within the year, 59 continuing and 67 completed



\$6.3M

Total revenue, including \$3.9M from 76,289 gifts from the Australian public



60%

Field staff are Aboriginal and / or Torres Strait Islander people

## Story of Change



The Story of Change was developed by Community First Development as an overarching framework outlining the theory that guides the organisation's work. The Story of Change is based on three levels that each interact:

- The inner layer represents Community First Development's guiding principle of Self Determination; the notion that First Nations people are the key driver behind the community development projects.
- The middle layer captures the ten outcome areas of focus for Community First Development.
- The outer most layer of the Story of Change contains the different entities and principles that support communities in achieving better outcomes.

The theory is based on the philosophy that community is an eco-system in which everything is connected.

## Demand Drivers

First Nations people continue to have lower population health outcomes compared to non-Indigenous Australians. While some progress has been made, as long as entrenched inequalities persist for First Nations peoples across areas of health, social, economic, political outcome areas, as well as inequalities in services access and cost, there is an ongoing need for community development supports such as those delivered by Community First Development.

- **7.8 – 8.6 Years:** Difference in life expectancy
- **2.3 times:** higher burden of disease
- **17 times:** higher rates of incarceration for young men
- **24% points:** lower rate of Year 12 or equivalent attainment
- **17% points:** lower rate of employment
- **\$243** difference in median weekly earnings
- **2 times:** per capita cost of government services

## Qualitative Assessment Findings

### Value Proposition for Governance-related Supports

Community First Development recognises the importance of establishing good governance practices in a way that bridges Western and First Nations contexts. The way governance operates will vary by organisation, but it is always a key requirement to achieving enduring outcomes by effectively defining, organising, operating and monitoring an organisation's activities.

Community First Development places governance at the core of its project delivery philosophy. The organisation's strategy and operational priority is centred around promoting practices of good governance. Community First Development values continuous improvement and has invested in identifying ways to enhance its capacity to provide effective governance support. Community First Development's strong reputation among its partner volunteers and community recipients supports the organisation's ability to deliver governance-related supports.

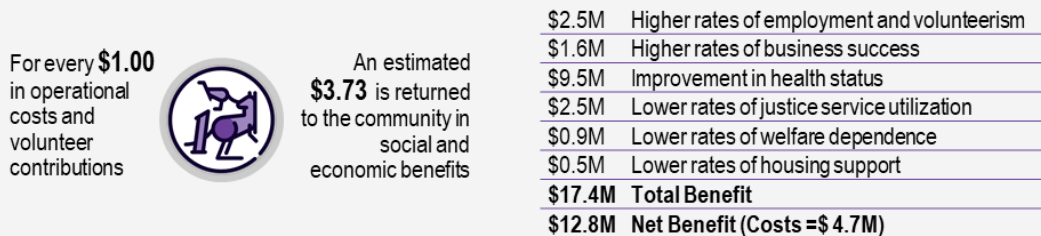
### Value Proposition for Economic-related Supports

Community First Development recognises that improving the economic outcomes of First Nations communities leads to direct and flow-on economic benefits as well as supporting better outcomes in the areas of health, justice and education. In this way, Community First Development's projects support the significant investments made by government in economic-related policies for First Nations people.

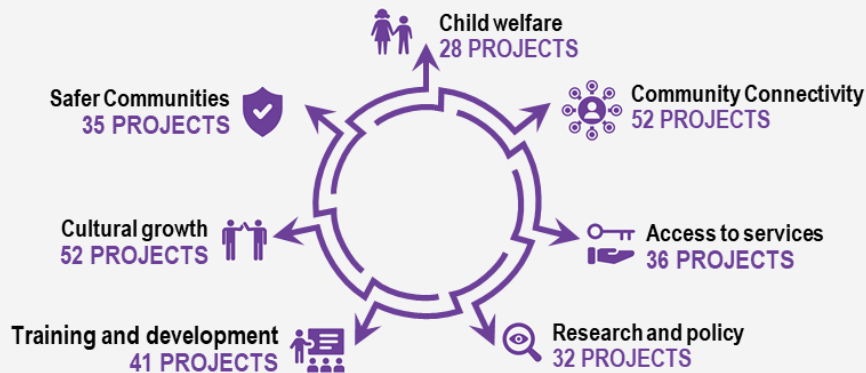
Over recent years, Community First Development have demonstrated through numerous project examples and advocate endorsements both the breadth and reach of the organisation's impact in providing economic-related supports. Stronger Economic Outcomes have been the second most common area of focus for the organisation's project-work and account for a significant time and skill contribution from its staff and volunteer network.

## Quantitative Assessment Findings

ACIL Allen developed a cost-benefit analysis assessment framework to estimate the value Community First Development generates through its project support activities. The assessment found:



Community First Development also identified the following qualitative benefits that applied to a number of the 67 projects completed in FY21





## 1.1 Purpose of this Report

In July 2021, Community First Development engaged ACIL Allen to prepare an independent socio-economic impact statement to demonstrate the organisation’s contribution to socio-economic outcomes experienced by Aboriginal and Torres Strait Islander people.

The analysis is primarily based on existing operational and financial information relating to the organisation’s activities from 2015/16 (FY16) to 2020/21 (FY21).

This report represents the impact statement and outlines the approach and key findings of the social and economic analysis undertaken to conduct the assessment.

## 1.2 Assessment Approach

ACIL Allen has developed an analytical framework to conduct the social and economic impact assessment based on the application of three analyses, with the objective of providing the evidence to answer the three questions. These questions and the corresponding analysis are presented in **Figure 1.1**.

**Figure 1.1** Analytical Framework - Social and Economic Impact Assessment

Socio-Economic Impact Statement Question	Component of the Analytical Framework
What is the demand for Community First Development’s services, particularly in relation to the governance and economic-related support provided?	<b>PART 1 - OVERVIEW OF COMMUNITY FIRST DEVELOPMENT</b>
What is Community First Development’s unique value proposition? (In terms of governance and economic related support for First Nations communities )	<b>PART 2 – QUALITATIVE ASSESSMENT OF COMMUNITY FIRST DEVELOPMENT</b>
How is Community First Development contributing to the Australian economy?	<b>PART 3 – QUANTIFYING THE NET ECONOMIC AND SOCIAL BENEFIT OF COMMUNITY FIRST DEVELOPMENT</b>

Source: ACIL Allen

An overview of each analysis is presented below.

### 1.2.1 Overview of Community First Development

ACIL Allen has undertaken analysis to provide an overview of Community First Development and through this, to highlight the drivers of demand for the organisation’s services. The section begins with an overview of the role and functions of

Community First Development, including an overview of the organisation's history, its Story of Change project delivery philosophy and its structure and governance model.

The next section provides details on Community First Development's financial performance, its activity in terms of projects and delivery locations and its staff and network of volunteers.

The final section provides an analysis of the key drivers of demand for Community First Development's services.

### **1.2.2 Qualitative Assessment of Community First Development**

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ACIL Allen has performed an assessment of the value proposition of Community First Development in terms of the organisation's delivery of economic-related and governance-related supports.

To support this assessment, ACIL Allen undertook a desktop review of public and internal material shared by Community First Development to provide a rationale as to why economic-related and governance-related support is important in First Nation communities and to identify evidence of why Community First Development is well placed to deliver these supports.

The assessment culminates in two statements, articulating Community First Development's unique value proposition in terms of governance-related and economic-related supports, respectively.

### **1.2.3 Quantifying the Net Economic and Social Benefit of Community First Development**

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ACIL Allen undertook a Cost Benefit Analysis (CBA) of Community First Development to quantify the net economic and social benefit of the organisation.

CBA is a tool used to measure efficiency and is regularly used to appraise policies, projects, organisations and services. The basis of a CBA is simple: for a given investment option, a CBA compares the total projected costs (including opportunity cost) to the community and economy of the organisation with the total projected benefits. The assessment produces two key measures – the Benefit Cost Ratio (BCR) and the Net Benefit. A BCR above one indicates the benefits exceed the costs, and shows by how much for every dollar spent on the organisation. The reverse applies for a BCR below one. The Net Benefit is the calculated by subtracting the total costs from the total benefits: a positive Net Benefit indicates the benefits exceed the costs and by how much in net terms. The reverse applies for a negative Net Benefit.

ACIL Allen developed a CBA framework to assess the net benefits of Community First Development under a single year of operations. The reference year selected for the analysis was Financial Year 2021 (FY21) (i.e., 1 July 2020 – 30 June 2021). The framework compares the benefits and cost of Community First Development's operations to a scenario where Community First Development is assumed not to exist to estimate the incremental benefit of the organisation.

## **1.3 Structure of this Report**

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This report is presented in three sections, as follows:

- **Part 1: Overview of Community First Development:** This section provides an analysis of the role and function of Community First Development, its financial and operational performance and the key drivers of demand for its services.
- **Part 2: Qualitative Assessment of Community First Development:** This section outlines an assessment of Community First Development's value proposition in terms of the organisation's governance-related and economic-related supports.
- **Part 3: Quantifying the Net Economic and Social Benefit of Community First Development:** This section provides an overview of the cost benefit analysis performed on Community First Development's operations in FY21.



Part Number  
Overview of Community First  
Development



# Role and Function of Community First Development 2

## 2.1 History of Community First Development

Community First Development (formerly named Indigenous Community Volunteers until 2020) is a community development and research organisation, which supports better outcomes for Aboriginal and Torres Strait Islander communities.

Since 2000, Community First Development’s staff and its network of volunteers have undertaken over 5,000 community development projects, supported by donations from over 75,500 people.

The organisation’s approach is centred on the principle of self-determination, which allows First Nations peoples own their vision for their communities, and the projects required to realise that vision.

The organisation’s four primary aims<sup>1</sup> are to:

- undertake community development projects in partnership with First Nations people,
- link First Nations people with volunteers who have expertise to share,
- provide opportunities for Australians to contribute to First Nations communities through partnerships, and
- undertake fundraising activities to support its work.

In FY21, Community First Development engaged with 111 Aboriginal and Torres Strait Islander communities on 149 community development projects. Of these, 67 community development projects were completed in the year across Australia. **Figure 2.1** shows the location of completed projects.

**Figure 2.1** Active and Completed community development projects in FY21, by state and territory



Source: Community First Development’s Annual Report FY21. (Under embargo, to be published October 2021)

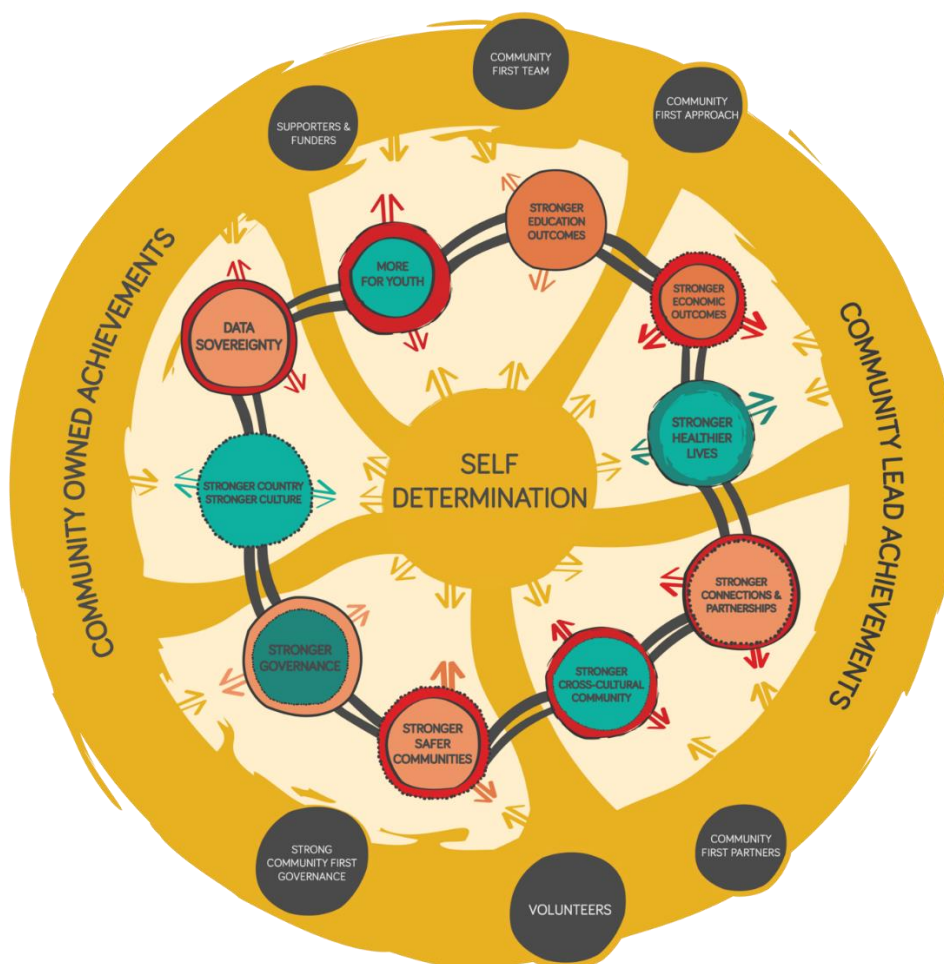
<sup>1</sup> Community First Development, Constitution of Community First Development.

## 2.2 Story of Change

The Story of Change was developed by Community First Development as an overarching framework outlining the theory that guides the organisation’s work. The Story of Change is based on three levels that each interact – the organisation’s guiding principle, the different outcome areas, and related entities. The theory is also based on the premise that community is an eco-system in which everything is connected.

Figure 2.2 illustrates the Story of Change, and the interaction between each of the elements.

Figure 2.2 Story of Change



Source: Community First Development’s website

The inner layer represents Community First Development’s guiding principle of Self Determination; First Nations people are the key drivers behind the community development projects. This is based on the fact that First Nations people are best-positioned to understand the unique opportunities and challenges facing their community.

The middle layer captures the ten outcome areas of focus for Community First Development. The outcomes (described in Figure 2.3) are interconnected, in recognition that no one outcome is more important than another, as improvements to one area will often lead to changes across other areas. The successful implementation of the community development projects will result in better outcomes for communities, which Community First Development has classified into ten outcome areas.

The outer most layer of the Story of Change contains the different entities and principles that support communities in achieving better outcomes. This includes the Community First Development Team, as well as its partners, supporters, funders, and volunteers. These entities will support communities to develop their own expertise and skills rather than directing the project, as communities are ultimately the owners of these projects.

**Figure 2.3** Story of Change – outcome areas

Story of Change Indicators
<p><b>1. Stronger Economic Outcomes</b></p> <p>Increased participation in the economy such as financial recognition and salaries for important roles in community, gaining employment or building a business. It can lead to improved incomes for families and communities. Other outcomes may include strengthened self-esteem and reduced social alienation.</p>
<p><b>2. Stronger Governance</b></p> <p>Governance is the evolving processes, relationships, institutions and structures by which a group of people organise themselves to collectively achieve the things that matter to them. Relationships are at the heart of many First Nations organisations, emphasising internal accountability and clear, culturally-informed and regular communication. Governance within a community may also include Western accountability requirements including financial and risk management, compliance and reporting.</p>
<p><b>3. Stronger Country, Stronger Culture</b></p> <p>Knowledge and practice of culture, and respect for culture among the wider community. There are environmental, physical, spiritual, emotional and cultural benefits through connection to Country and practice of culture.</p>
<p><b>4. Stronger Connections &amp; Partnerships</b></p> <p>Participation builds social connections and networks and fosters a sense of belonging, its impact extends beyond the number of people attending events or accessing services. Participation and connection are an important part of decision making and self-determination.</p> <p>While partnerships have long been recognised as important for the development of effective and culturally-competent services, many First Nations people have had negative experiences of tokenistic relationships labelled as partnerships. Genuine partnerships can, however, have multiple benefits including: building cultural competence in services and guiding non-First Nations organisations and professionals to understand and respond to the priorities of First Nations communities.</p>
<p><b>5. Stronger Healthier Lives</b></p> <p>Physical health can be strengthened by people’s living environment, access to and use of health services and the decision of individuals about their own health. Mental health can be strengthened through supports to address a range of complex medical issues, historical factors, stressors associated with trauma or entrenched disadvantage and substance misuse.</p>
<p><b>6. Stronger Safer Communities</b></p> <p>Safe and supportive families and communities provide a resilient, caring and protective environment. Safe and healthy living conditions are influenced by the homes in which people live, the food and water consumed, access to reliable electricity (or gas) supply for cooking, refrigeration, and running household appliances and the safe removal of waste.</p> <p>For many people, individual wellbeing is closely tied to the wellbeing of their community as a whole. Environmental health is especially important for children’s physical and emotional wellbeing. Suitable crime prevention and support services, grounded in culture, can also contribute to stronger, safer communities.</p>
<p><b>7. Stronger Education Outcomes</b></p> <p>Cultural studies and teacher quality are key to enhancing educational outcomes. Family environments can also influence educational outcomes including family involvement with the school, literacy levels at home, the level of value placed on learning and social and economic factors. Improved literacy and numeracy levels can improve social, educational and employment outcomes in a community.</p> <p>People with a vocational or higher qualification are more likely to be employed and education can also have a positive influence on health and intergenerational flow-ons.</p>
<p><b>8. More for Youth</b></p> <p>Young people often require additional support to successfully make the transition from education to work. Investments in young people need to recognise the challenges faced by youth and to build and enhance their capabilities, resilience and strengths through their creativity, capability, leadership potential and achievement. Young people need to have hope, opportunities and choices combined with the relevant skills and resources to succeed.</p>
<p><b>9. Data Sovereignty</b></p> <p>Reinforcing the right of First Nations people to exercise ownership of their data, and to use it to guide and make decisions to improve community outcomes and influence policy and funding decisions that impact them. Communities record and document information about their development story (and theory) and outcomes achieved and are able to use the data to their benefit.</p>
<p><b>10. Stronger Cross-Cultural Community</b></p> <p>‘Walking in two worlds’ is a strength that communities use to stay connected to culture while navigating Western systems to access services, overcome barriers and achieve their aspirations. Conciliation can sometimes form part of this process. Conciliation is an active, ongoing process that has elements of truth, justice, forgiveness, healing, reparation, and love. This may be achieved through brokering major partnerships with non-First Nations organisations, raising awareness of culture more widely in community, through to building trusting relationships with individuals.</p>

Source: *Community First Development (2020) 3 Year Macro Analysis 2017 – 2020, Moving beyond the gap.*

## 2.3 Structure and Governance

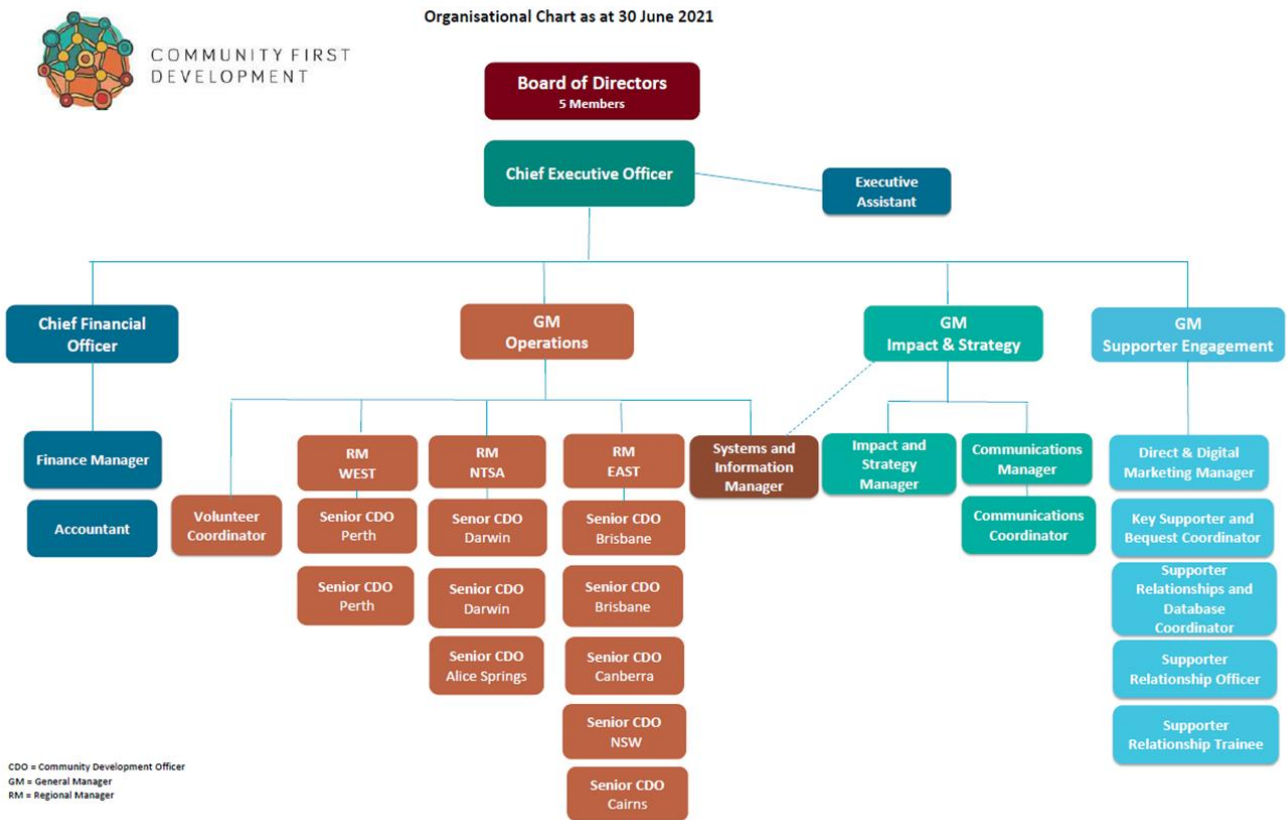
Community First Development is governed by a Board of Directors consisting of five members who are majority First Nations people, supported by a Chief Executive Officer, and an executive team. The executive team is comprised of four managers (including the Chief Finance Officer), each responsible for different functions within the organisation, including:

- Operations, which is responsible for managing community development projects;
- Impact and strategy, which focusses on the organisation’s impact monitoring, evaluation capabilities and research;
- Supporter engagement, which forms and maintains supporter relationships; and
- Financial management, which manages the organisation’s finances.

The four managers are assisted by approximately 30 staff members, with the majority of them working within Operations. There are three regional managers within Operations, each managing one of the three zones: the Western Region (i.e., Western Australia), the Eastern Region (i.e., Australian Capital Territory, New South Wales, Queensland, and Victoria), and the NTSA Region (i.e., Northern Territory/South Australia).

Community First Development’s current organisational chart is shown in **Figure 2.4**

**Figure 2.4** Organisational Chart – June 2021



Source: Community First Development, Organisational Chart as at 30 June 2021

# Financial and Operational Overview

# 3

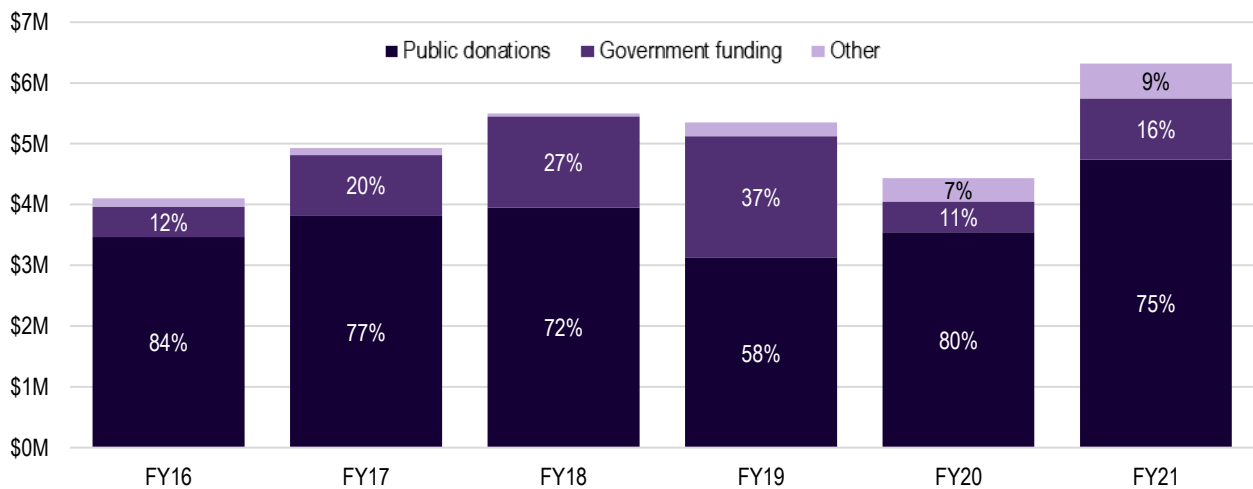
## 3.1 Financial Overview

### 3.1.1 Operational Revenue

Community First Development has two main sources of revenue: public donations and Government funding. Over the past six years, public donations have accounted for an average of 74 per cent of total revenue and Government funding for 21 percent, with a combined average of \$4.8M, accounting for 95 per cent of total revenue.

A breakdown of revenue sources from FY16 and FY21 is presented in **Figure 3.1**.

**Figure 3.1** Breakdown of revenue sources between FY16 and FY21



Source: Community First Development's Annual Reports FY16 to FY21

### Government Funding

From FY16 to FY19 Federal Government funding increased \$0.5M annually from \$0.5M to \$2.0M and accounted for 37 per cent of total revenue in FY19. Government funding has been variable over the six year period, fluctuating from \$0.5M to \$2M, with an average of \$1.0M. ACIL Allen understands that funding of \$1.0M in FY21 is in relation to a grant that ends on 31 December 2022, for which no further funding is due to be received.

In FY20, total revenue fell by 17 per cent, due to a decline in Government funding by \$1.5M on the previous year, to \$0.5M – the lowest level since FY16.

The receipt of 'Other' funding in FY20 and FY21 included a relief payment of \$0.3M and \$0.6M respectively from the Federal Government's *JobKeeper* program, in response to the impact of COVID-19.

### Public Donations and Philanthropic Grants

Over the past six years, public donations (including philanthropic grants) have generated an average of \$3.8M in revenue annually. The composition of public donations has changed over this time, which indicates that Community First Development has diversified its revenue streams.

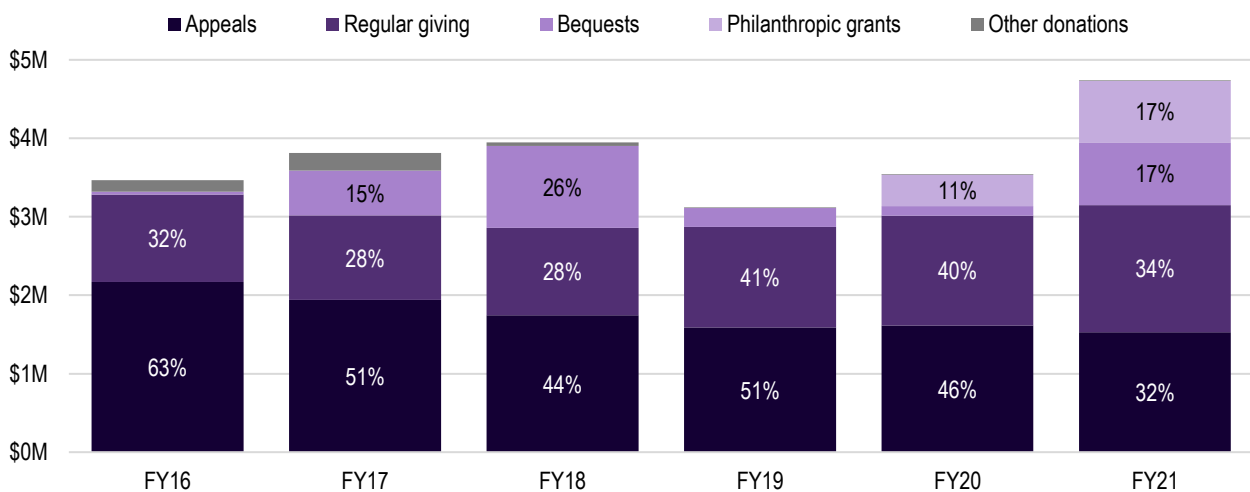
In FY21, public donations increased by 34 per cent, and as a category exceeded total revenue generated in FY20.

Public donations are collected from four main streams: appeals, regular giving, bequests, and Philanthropic grants. The differences of each donation income stream varies (depending on the determined investment/expenditure), with regular giving showing strong growth and appeals providing significant income.

Over the past six years, appeals have decreased from \$2.2M (63 per cent of public donations) in FY16, to \$1.5M (32 per cent of donations) in FY21. This compares with regular giving, which has increased from \$1.1M (32 per cent of donations), to \$1.6M (34 per cent of donations) over the same period.

Notably in FY21, there was a significant increase in bequests, philanthropic grants, and other donations, reflecting while there is inherent variability in these revenue streams, the investment in earlier years is being recognised. More specifically, bequests range from \$0.1M to \$1.3M with an average of \$0.5M over the six years period. Similarly, Philanthropic grants had significant variation with an increase from \$0.4M to \$0.8M from FY20 to FY21.

**Figure 3.2** Breakdown of public donations and philanthropic grants between FY16 and FY21



Source: Community First Development's Financial Reports FY16 to FY21

### 3.1.2 Operational Expenditure

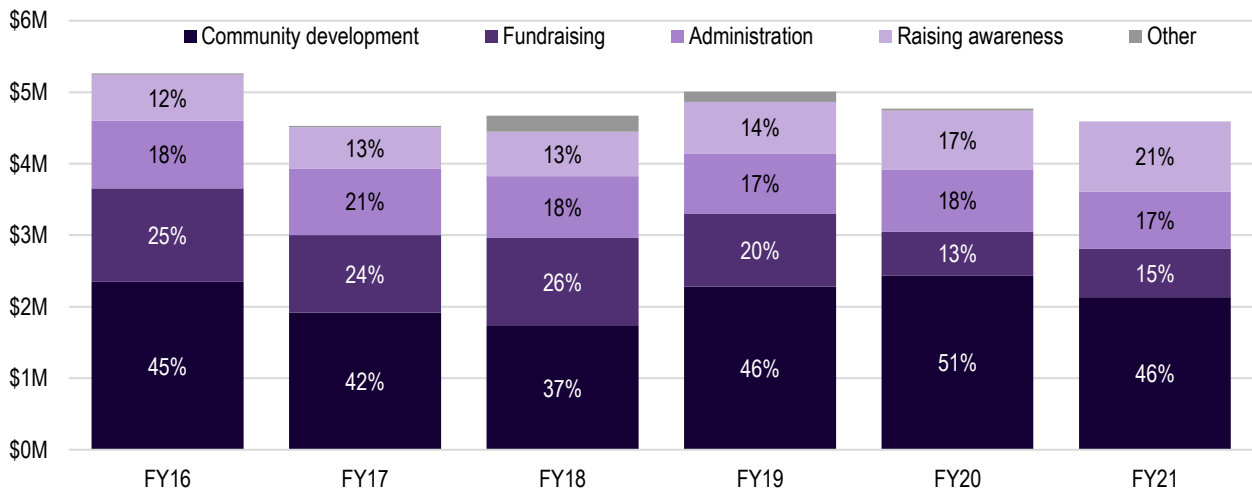
Over the six year period, Community First Development's total expenditure averaged \$4.8M per annum. The majority of Community First Development's expenses were from undertaking community development activities, which accounted for an average of 45 per cent of total expenses. Spending on community development activities was relatively stable at around \$2.1M per annum, with lower spending in FY17 and FY18.

Investment in the direct cost of fundraising, which was the second largest expenditure category up until FY19, has been decreasing over the past five years. It has decreased from \$1.3M (or 25 per cent of total expenses) in FY16, to \$0.7M (or 15 per cent of total expenses) in FY21.

The expenditure on public awareness raising includes the cost of engaging with supporters and providing awareness and education programs and is an important activity in generating revenue from supporter donations. Community First Development has also been investing more on engaging with supporters, and awareness and education programs. These programs are aimed at providing the Australian population, including supporters, with a broader perspective of First Nations culture and jointly celebrate in the successes. Spending on raising awareness increased from \$0.6M in FY16, to \$1.0M in FY21.

A breakdown of expenses from FY16 to FY21 is presented in **Figure 3.3**.

**Figure 3.3** Breakdown of expenses, from FY16 to FY21

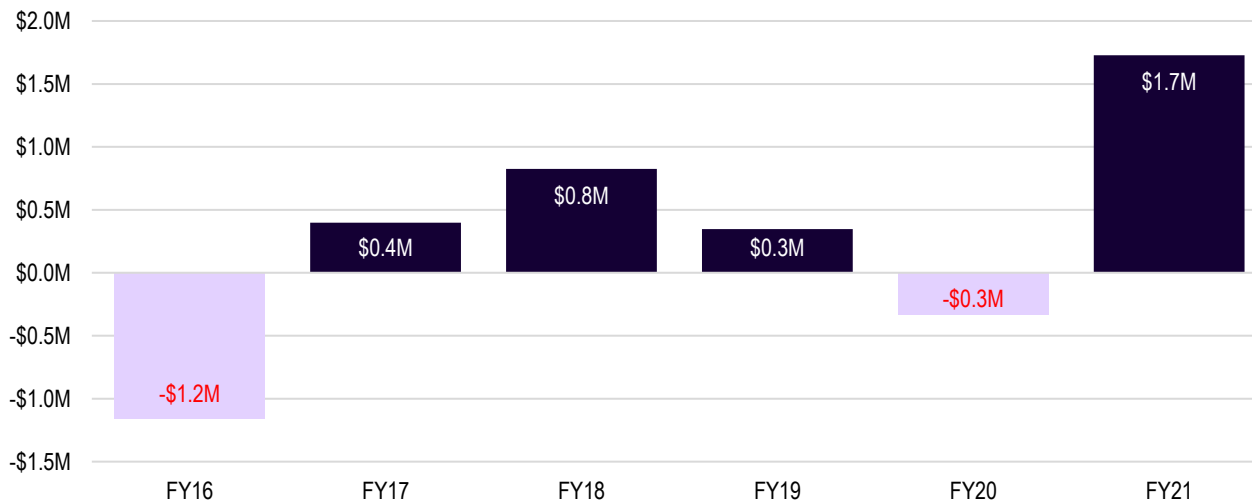


Source: Community First Development's Annual Reports FY16 to FY21

### 3.1.3 Financial Performance

From FY16 to FY21, Community First Development reported a surplus in four of the six financial years, with net deficits in FY16 and FY20. The net operating surpluses and deficits from FY16 to FY21 is presented in **Figure 3.4**.

**Figure 3.4** Net operating position, from FY16 to FY21



Source: Community First Development's Financial Reports FY16 to FY21

The years where Community First Development has reported a net operating deficit have been funded by accumulated funds from earlier years and followed by a period where the organisation has returned a net operating surplus. Community First Development has responded to net operation deficit by increasing revenue and tightening expenses. Revenue growth is largely attributable to the steady growth in public donations strengthened by the receipt of significant bequests and Philanthropic grants. On the other hand, Community First Development has tightened its expenses on community development and fundraising activities, though cutbacks to community development spending was temporary, as spending in this area has since returned to historical levels.



In FY20, Community First Development recorded an operating deficit of -\$0.3M, which was the first since FY16 and coincided with a large fall in government funding, which was reduced to \$0.5M from \$2.0M in the previous year. In fact, Community First Development’s deficit would have been higher, had the *JobKeeper* wage subsidy and the large philanthropic grant not been received.

In FY21 Community First Development achieved the highest operating surplus over the six year period, with a net income of \$1.7M. This was largely due to significant revenue items and early receipt of FY22 government funding (of \$0.5M), while total expenses remained stable.

Community First Development is realising a higher return from its direct cost of fundraising. In FY16, Community First Development generated \$2.62 in public donations<sup>2</sup> for every \$1.00 spent on direct cost of fundraising - by FY21, the return more than doubled to \$5.84 for every dollar expended.

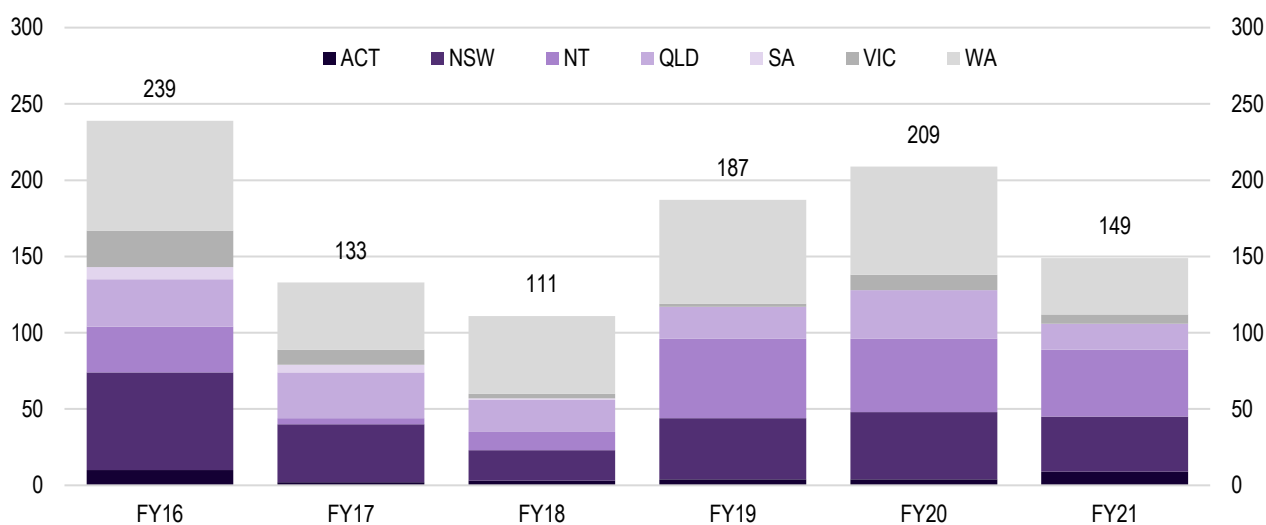
Notably, Community First Development is showing strong growth in a range of fundraising income streams and realising the higher returns of fundraising efforts in earlier years. The higher return on fundraising is important for Community First Development’s financial viability, considering the majority of public donations – the largest source of revenue – are relatively stable and can cover a significant portion of expenditure. On average, public donations, including Philanthropic grants, equated to 79 per cent of total expenses.

### 3.2 Communities and Projects

Since FY16, Community First Development have undertaken an average of 171 projects each year. This includes single and multi-year projects that may have started in previous years and may run for a number of years into the future.

**Figure 3.5** presents an overview of the number of active projects, by State since FY16.

**Figure 3.5** Community First Development Projects, by State



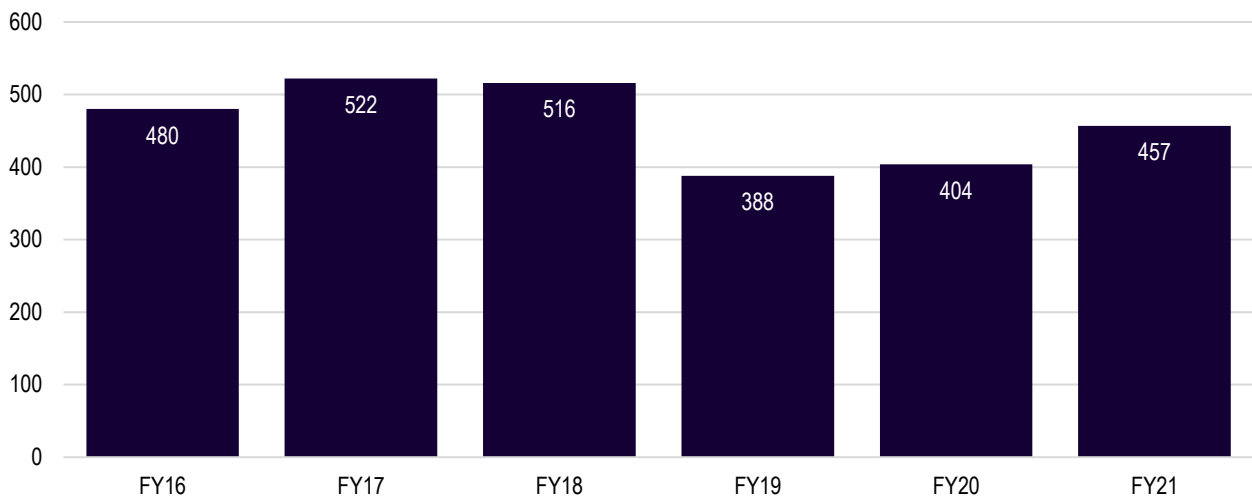
Source: Community First Development’s Annual Reports FY16 to FY21

Community First Development is most active in WA (33 per cent of projects on average), NSW (24 per cent) and NT (18 per cent). Projects in SA have gradually declined as Community First Development have fewer staff and volunteers in the region, from eight projects in FY16 to no projects since FY19.

The decline in project count between FY16 and FY18 was partly offset by an increase in the average length of projects, suggesting Community First Development were focussing on fewer, but more resource-intensive projects. Between FY16 and FY21, the average length of projects was roughly 461 days.

<sup>2</sup> Public donations include appeals, regular giving, bequests and other donations. It does not include philanthropic grants.

**Figure 3.6** Average length of projects (days)



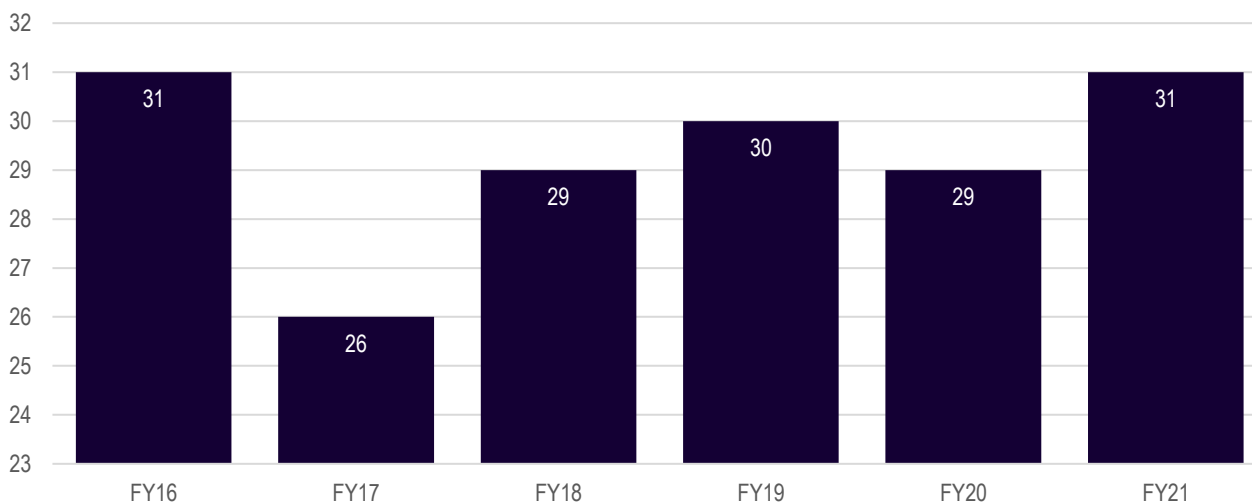
Source: Community First Development data

### 3.3 Staff and Volunteers

Community First Development has roughly 30 staff members under employment in any given year, with minor fluctuations across years. However, in FY17, staff numbers decreased to 26, from 31 in the previous year, which coincided with cutbacks in spending.

In FY21, Community First Development employed 31 staff, of whom 15 (48%) identify as First Nations people.

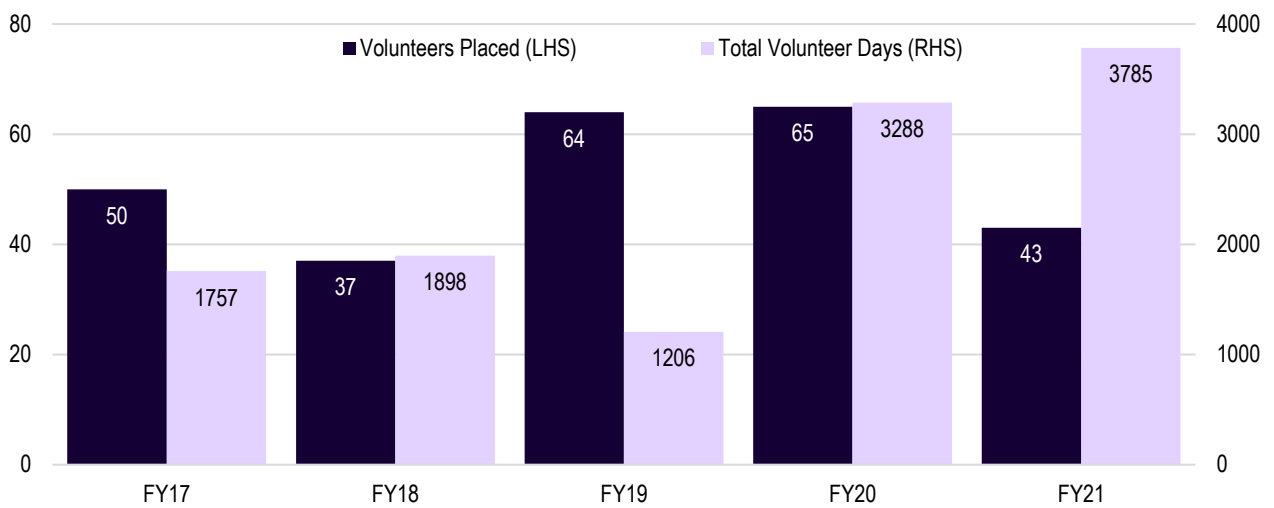
**Figure 3.7** Community First Development – Employee Count, FY16 – FY21



Source: Community First Development's Financial Reports FY16 to FY21

In addition to staff members, Community First Development is supported by a network of volunteers, who assist with delivering community development projects. Volunteers are critical for these projects, bringing knowledge and expertise to share with communities. While the pool of volunteers has decreased, the intensity of volunteering work has increased. From FY17 to FY21, the total volunteered days has more than doubled, while the number of volunteers placed has slightly decreased. More specifically, the average number of days contributed annually by each volunteer placed has increased from roughly 35 days in FY17 to 88 days in FY21.

**Figure 3.8** Volunteers Placed and Volunteer Days, FY17 – FY21



Source: Community First Development data

The trends observed within the volunteer pool largely reflected the change in volunteer management approach, which allowed Community First Development to undertake community development projects with a smaller pool of volunteers.

In FY19, Community First Development conducted a volunteer survey to understand the profile of its volunteers better. This survey allowed Community First Development to identify the skills of its existing volunteers and conduct more targeted recruitment to meet certain skill needs.

There has also been changes to the type of support volunteers provided, with an increase in home-based volunteer placements compared to community-based placements, and an increase in professional and financial services from trade-based supports.

# Drivers of Future Demand for Community First Development 4

## 4.1 Overview

This section provides an overview of the key drivers that will impact the demand for Community First Development’s services into the future. The analysis is divided into the key areas that ACIL Allen consider will be significant drivers of demand, including health and social drivers, economic drivers, demographic drivers, service drivers and political drivers. We provide a description and evidence highlighting the relevance of each to Community First Development’s services.

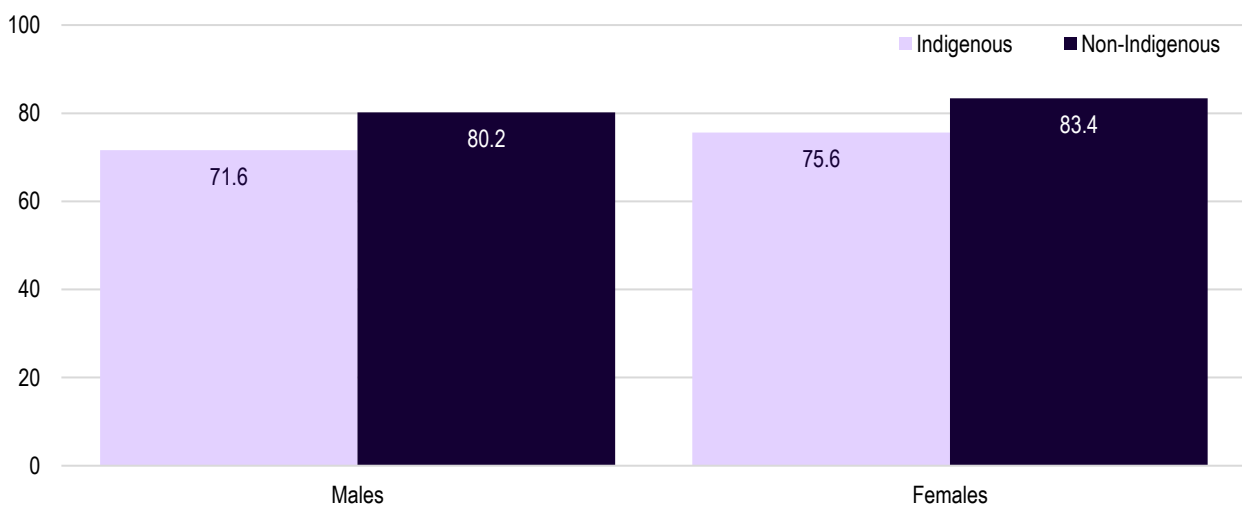
## 4.2 Health and Social Drivers

First Nations people continue to have lower health and social outcomes compared to non-Indigenous Australians. While some progress has been made, as long as these inequalities persist for First Nations peoples, there is an ongoing need for community development supports such as those delivered by Community First Development.

### 4.2.1 Health outcomes

Despite Australia’s national health outcomes being better than most countries around the world, there are significant disparities across the First Nations and non-Indigenous populations. For instance, the average life expectancy for Indigenous Australians compared to non-Indigenous Australians, was lower by 8.6 years for males and 7.8 years for females. The life expectancy of an individual born between 2015 and 2017 is presented in **Figure 4.1**.

**Figure 4.1** Life expectancy for an individual born between 2015-2017



Source: Australian Institute of Health and Welfare, Indigenous life expectancy and deaths

The discrepancy in life expectancy can be partly attributed to the higher incidence and severity of chronic diseases affecting First Nations people. A common measure of this would be the burden of disease, which quantifies the impact of different

diseases or injuries in terms of disability-adjusted life years (DALYs). More specifically, this measure combines the years of healthy life lost due to living with ill health, with the years of life lost due to dying prematurely. It is estimated that there were 284 years lost due to premature death or living with illness per 1,000 Indigenous people in Australia.<sup>3</sup> The burden of disease among Indigenous Australians is 2.3 times higher than the burden for non-Indigenous Australians.

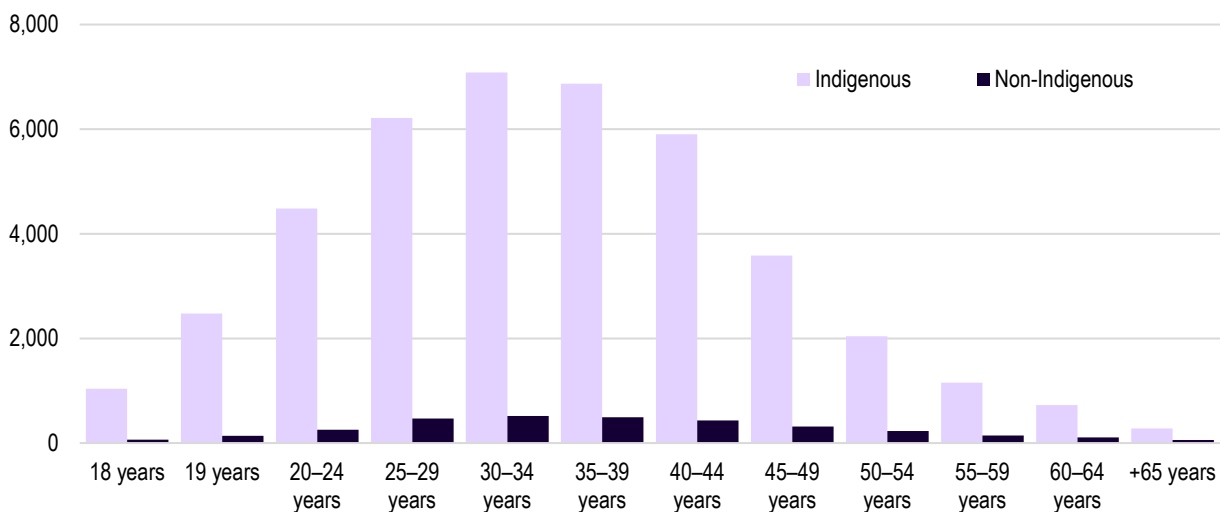
Such outcomes have been long analysed and continue to require community development supports such as those delivered by Community First Development to support First Nations people in preventing, as well as the better management of, disease.

**4.2.2 Incarceration rates**

First Nations people are incarcerated at significantly higher rates compared to the non-Indigenous population. While representing three per cent of Australia’s population, comparatively First Nations people accounted for over 29 per cent of the prison population in 2020<sup>4</sup>.

The relative rates of imprisonments are particularly high among 19 – 24 year old men, where First Nations men are incarcerated at more than 17 times the rate of non-Indigenous men in the same age cohort (**Figure 4.2**). The highest rate of imprisonment for First Nations men is among the 30-34 year cohort, where 1 in 14 men are in prison.

**Figure 4.2** Imprisonment Rate, per 100,000 people for the reference age cohort



Source: ABS, *Prisoners in Australia, 2020*

The population-adjusted rate of imprisonment of First Nations people has increased by over 56 per cent since 2006, which is three times faster than the equivalent rate for non-Indigenous people<sup>5</sup>.

The financial and social costs of imprisonment are significant. The costs include the impact of the associated crimes on the victim, their family and society more broadly, the impact on the offender and their family members and the justice system cost. The impact on the offender may extend beyond the initial sentence, as discrimination and institutionalisation lead to lower chances of employment and the risk of recidivism.

Combined, these costs represent a significant burden and provide a compelling case to invest in efforts to reduce this issue through supports to enhance community development and creating opportunities and alternative pathways for First Nations people.

<sup>3</sup> Australian Institute of Health and Welfare (2020). Indigenous health and wellbeing. Website. Accessed on 19 August 2021. Available from <https://www.aihw.gov.au/reports/australias-health/indigenous-health-and-wellbeing>

<sup>4</sup> Australian Bureau of Statistics (2020), *Prisoners in Australia 2020*

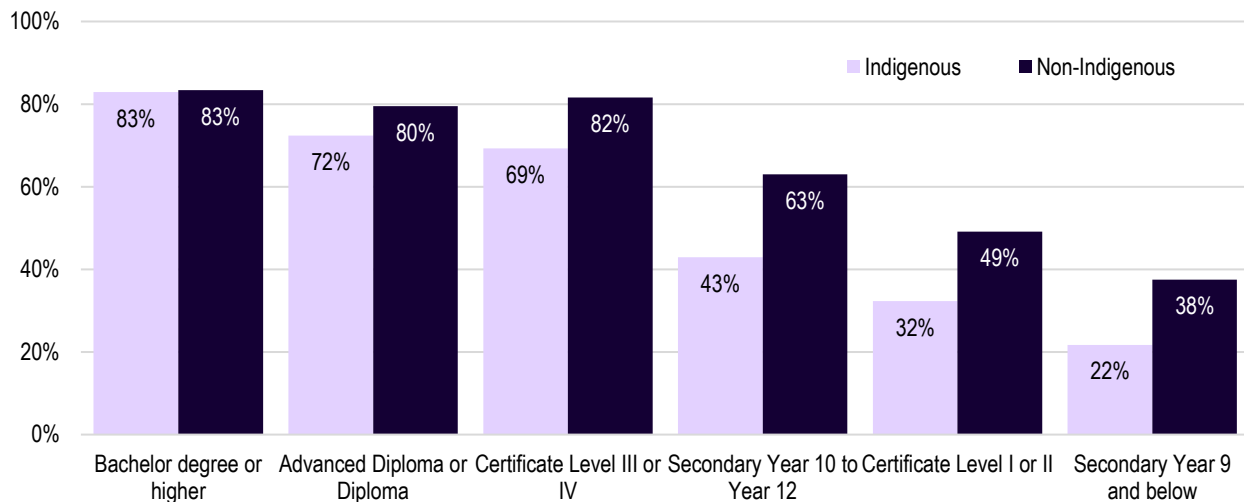
<sup>5</sup> Ibid.

### 4.2.3 Education Rates

The link between higher rates of education increased life opportunities is well established. Education provides opportunities for individuals to develop employable skills and secure better, higher paying jobs.

As such, educational attainment is recognised as a key opportunity to improve the outcomes for First Nations people. The importance of providing higher education opportunities for First Nations people is well illustrated in **Figure 4.3**, which shows the proportion of working age people that are employed, by level of education attainment. At the lower level of education, the employment outcomes for First Nations people are lower. On the other hand, the disparity in employment outcomes completely disappears for those with a bachelor’s degree of higher.

**Figure 4.3** Proportion of people employed based on the highest education level attained in 2016



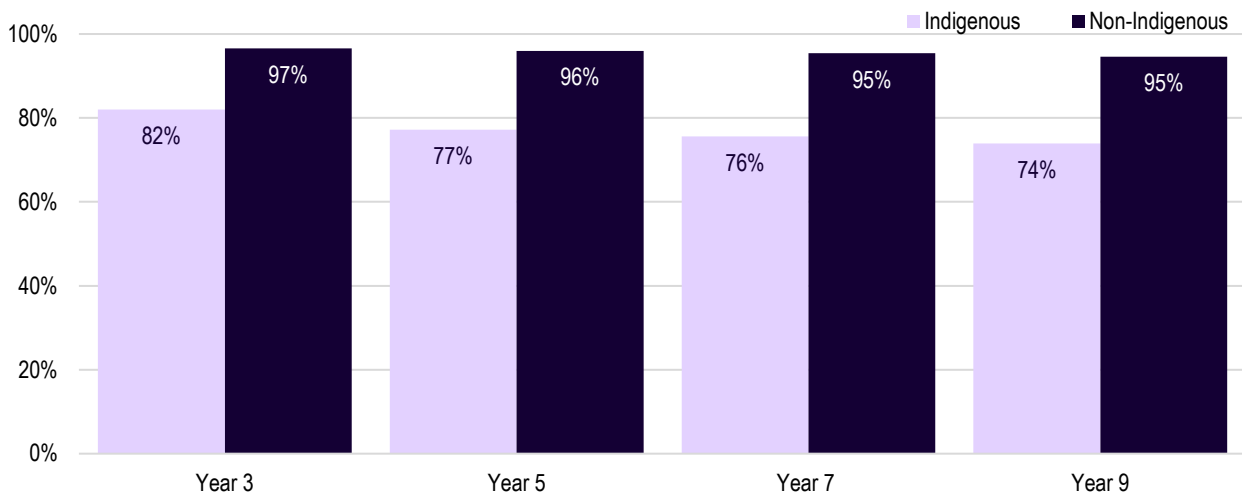
Source: Australian Institute of Health and Welfare, *Indigenous employment*

Even though there have been improvements to educational attainment, the educational gap between Indigenous and non-Indigenous Australians is still present. School attendance rates – a key contributor to academic success – was 82 per cent for First Nations students, which was roughly nine percentage points lower than non-Indigenous students at 93 per cent.<sup>6</sup>

There were also differences in reading and numeracy proficiency, as the proportion of Indigenous students achieving the minimum standard in National Assessment Program – Literacy and Numeracy (NAPLAN) results was lower than their non-Indigenous counterparts. **Figure 4.4** and **Figure 4.5** shows the proportion of students that achieved the minimum standard for reading and numeracy for 2018.

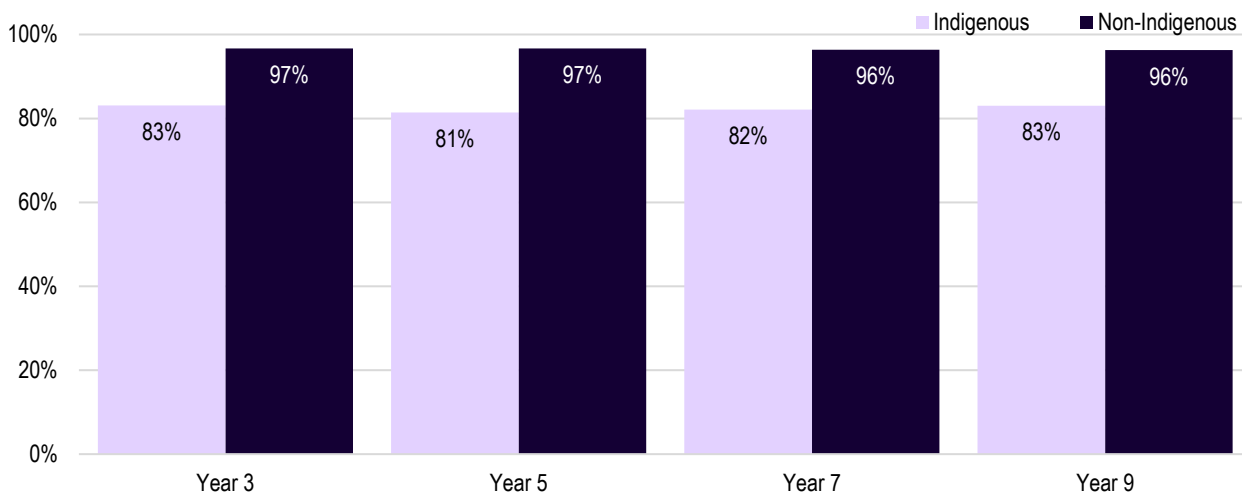
<sup>6</sup> Australian Institute of Health and Welfare (2019). Indigenous education and skills. Website. Accessed on 19 August 2021. Available from <https://www.aihw.gov.au/reports/australias-welfare/indigenous-education-and-skills>

**Figure 4.4** Proportion of students meeting the national minimum standard in reading for 2018



Source: Australian Institute of Health and Welfare, Indigenous education and skills

**Figure 4.5** Proportion of students meeting the national minimum standard in numeracy for 2018

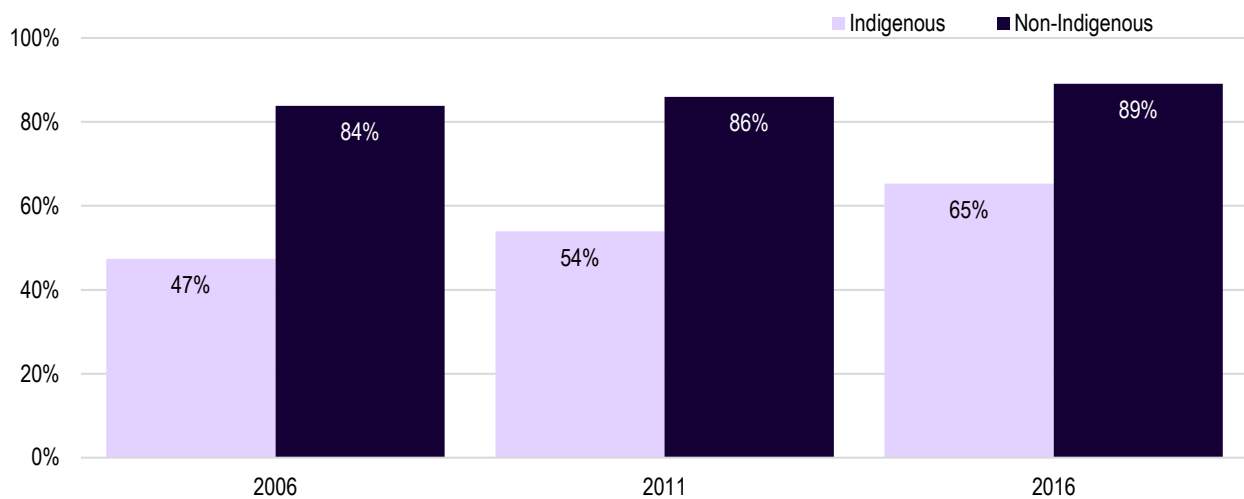


Source: Australian Institute of Health and Welfare, Indigenous education and skills

Completing Year 12 or equivalent provides a clearer pathway for school leavers to either pursue higher education or obtain vocational training. However, these pathways are not necessarily afforded to First Nations school leavers as there are differences in the Year 12 or equivalent attainment rate for Indigenous and non-Indigenous students.

The Year 12 or equivalent attainment rate for 20 to 24-year-olds, using data from the 2006, 2011 and 2016 Census is presented in **Figure 4.6**. In the 2016 Census, the attainment rate for Indigenous and non-Indigenous students was 65 per cent and 89 per cent respectively. This represents an improvement compared to the 2006 Census, where the attainment rate for Indigenous students was only 47 per cent.

**Figure 4.6** Year 12 or equivalent attainment rate for 20 to 24-year-olds in 2006, 2011 and 2016



Source: Australian Institute of Health and Welfare, *Indigenous education and skills*

The poorer education outcomes realised by First Nations people are a key contributor to poorer outcomes in other areas, such as economic and health outcomes. Community development projects provide can supports for young people to stay in school and pursue higher education, and can contribute to an improvement in education outcomes for First Nations people.

#### 4.2.4 Cultural Relevance

There has been growing evidence supporting the importance of culture in determining an individual's life outcomes, especially on First Nation people's health and well-being outcomes. Cultural elements such as First Nations language utilisation, strong kinship ties and, connection to country are considered affirming cultural determinants of health.<sup>7</sup>

Given the importance of language and culture in promoting better outcomes, any solution addressing the Indigenous gap must include Indigenous cultural identity. The current literature indicates that cultural identity is at the heart of self-determination<sup>8</sup>, as the involvement of Indigenous people in decision making would allow them to explore, practice, and retain different elements of culture freely.

The increased focus on cultural identity creates a clear need for community development projects, as these projects are often community-driven with the goal of preserving and fostering First Nations culture and self-determination.

### 4.3 Economic Drivers

Achieving better economic outcomes for First Nations people will lead to greater financial independence, which is crucial for promoting self-determination. Additionally, the link between economic outcomes and other life outcomes, such as health, social and emotional wellbeing, and culture is widely recognised.<sup>9</sup>

Even though the economic disparity between Indigenous and non-Indigenous Australians has narrowed, there are still opportunities for improving economic outcomes. Given this, there has been sustained demand from First Nations communities to engage with Community First Development to undertake economic-related support.

<sup>7</sup> Verbunt, E., Luke, J., Paradies, Y. et al. (2021) Cultural determinants of health for Aboriginal and Torres Strait Islander people – a narrative overview of reviews. Journal article. Accessed on 19 August 2021. Available from <https://equityhealthj.biomedcentral.com/articles/10.1186/s12939-021-01514-2>

<sup>8</sup> Ibid.

<sup>9</sup> Department of Prime Minister and Cabinet (2020) Closing The Gap Report 2020. Report. Accessed on 19 August 2021. Available from <https://ctgreport.niaa.gov.au/sites/default/files/pdf/closing-the-gap-report-2020.pdf>

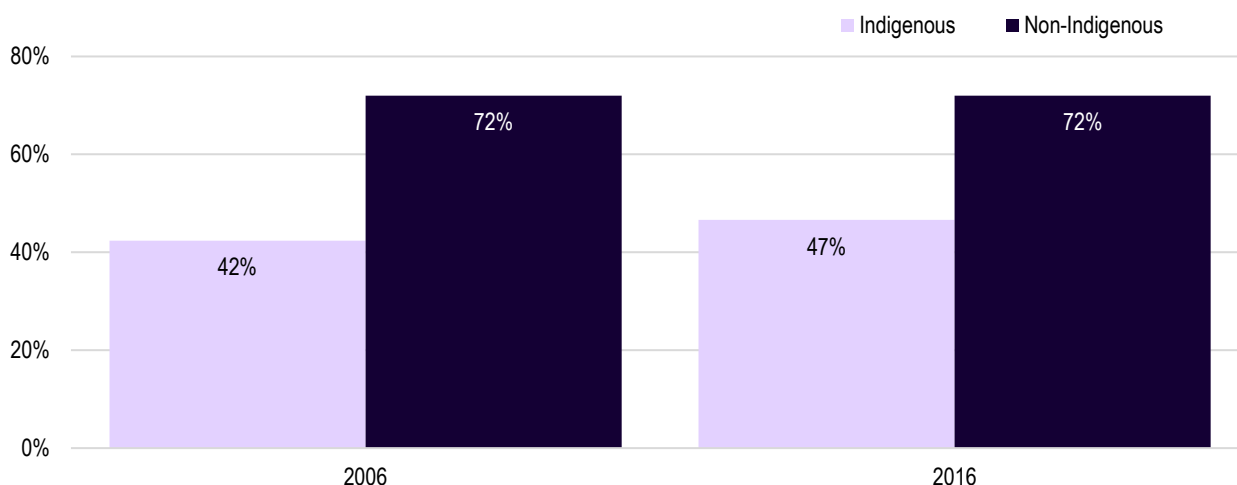


### 4.3.1 Employment

Boosting employment for First Nations people will allow generations of Indigenous Australians to lead a higher quality of life. The lack of employment opportunities and corresponding income disparity has been associated with a range of other disadvantages, which can often have intergenerational effects.<sup>10</sup>

When comparing results from the 2006 Census to the 2016 Census, the employment rate for Indigenous Australians has increased over the past decade, from 42.4 per cent to 46.6 per cent. This is lower than the employment rate for non-Indigenous Australians, which was steady around 72 per cent. The difference in employment rates mean that working age Indigenous Australians are roughly 1.9 times more likely to be unemployed compared to non-Indigenous Australians.

**Figure 4.7** Employment rate (excluding CDEP participants) in 2006 and 2016



Source: Department of Prime Minister and Cabinet, *Closing the Gap*

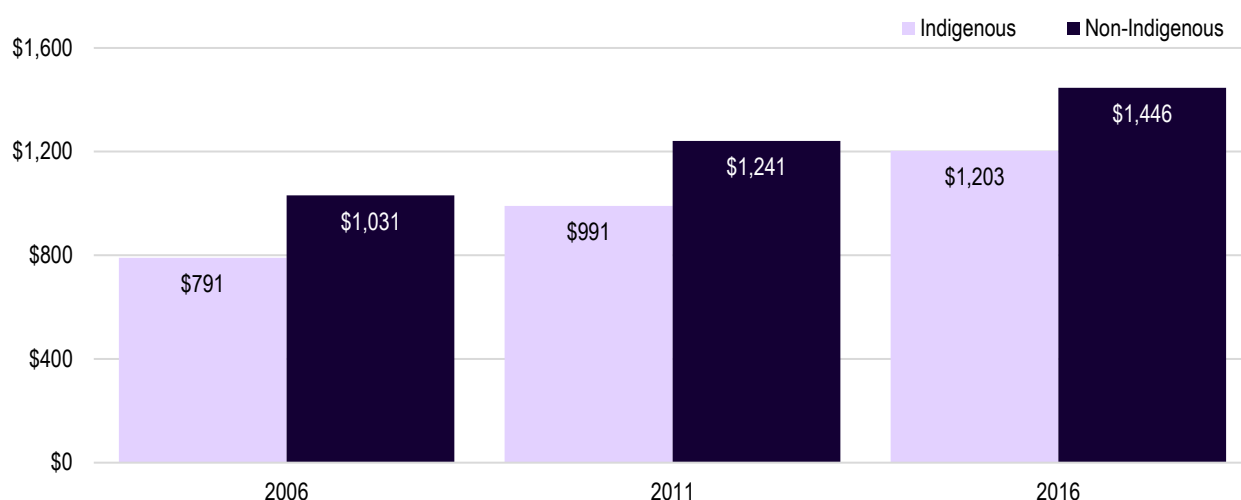
Many First Nations people encounter unique barriers in terms of participating in the labour market due to a range of social, cultural, economic, and geographic factors. For instance, family responsibilities are considered by many First Nations people as their primary obligation, which requires employers to be more culturally aware and flexible with job roles and hours. There are also complications from having poorer health outcomes, and the higher cost of living<sup>11</sup> in remote communities which can also impact labour force participation.<sup>12</sup>

In addition to the difficulty in gaining employment, First Nations people are living on lower incomes, which can lead to greater dependence on welfare support. Even though Indigenous household income has increased by 52 per cent between 2006 and 2016, it remains lower than non-Indigenous households. More specifically, the median household income for Indigenous Australians was \$1,203 per week, which was 16 per cent lower than non-Indigenous Australians at \$1,446 per week. The median weekly household income from the 2006, 2011 and 2016 Census is shown in **Figure 4.8**.

<sup>10</sup> Australian Institute of Health and Welfare (2019) Indigenous employment. Website. Accessed on 19 August 2021. Available from <https://www.aihw.gov.au/reports/australias-welfare/indigenous-employment>

<sup>11</sup> Parliament of Australia (2009) *Everybody's Business: Remote Aboriginal and Torres Strait Community Stores*, Chapter 5. Accessed on 27 August 2021. Available from: [https://www.aph.gov.au/Parliamentary\\_Business/Committees/House\\_of\\_Representatives\\_Committees?url=atsia/communitystores/report.htm](https://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=atsia/communitystores/report.htm)

<sup>12</sup> Department of Prime Minister and Cabinet (2020) *Closing The Gap Report 2020*. Report. Accessed on 19 August 2021. Available from <https://ctgreport.niaa.gov.au/sites/default/files/pdf/closing-the-gap-report-2020.pdf>

**Figure 4.8** Median weekly household income in 2006, 2011 and 2016

Source: Australian Bureau of Statistics, 2006, 2011 and 2016 Census Community Profiles

### 4.3.2 Business

The entrepreneurship of First Nations people has increased over the past decade, which has boosted the demand for support for these business owners. Between 2006 and 2016, the number of Indigenous businesses grew by 72 per cent, from 6,756 in 2006 to 11,587 in 2016. Business support will be crucial for ensuring the success of First Nations businesses, given the majority of these new businesses were small businesses (67 per cent of business applicants), followed by medium businesses (32 per cent of applicants).<sup>13</sup>

In a 2018 report on Indigenous businesses by the Australian Department of Industry, Innovation and Science, Indigenous business owners have indicated that they often faced unique issues operating a successful business including the difficulties navigating mainstream business support, the lack of role models, and barriers to winning work<sup>14</sup>. As such, Indigenous businesses will require Indigenous-specific support, in addition to general business support to ensure that they are successful.

## 4.4 Demographic Drivers

Given the strong Indigenous population growth projected over the next decade, there will be sustained demand for self-determined community development activities going forward. The growing First Nations population, coupled with its young age profile emphasises the need to address the gaps in early life outcomes of Indigenous and non-Indigenous Australians. Narrowing the gap in early life outcomes will be pivotal in uplifting First Nations communities, given its strong links to improved balance-of-life outcomes, such as improved health and well-being, and educational and employment opportunities.<sup>15</sup>

The net migration out of remote areas will present unique challenges for community development, given the First Nations identity and culture is strongly underpinned by the relationship with traditional waters and lands. Additionally, there is the added complexity surrounding Indigenous policy in Australia, which has historically been targeted towards remote communities<sup>16</sup>, even though the majority of Indigenous people live in urban settings. Given this, it will be important that

<sup>13</sup> Department of Industry, Science, Energy and Resources (2020) Current state of play for Indigenous businesses. Website. Accessed on 19 August 2021. Available from <https://www.industry.gov.au/data-and-publications/aboriginal-and-torres-strait-islander-business-support-roadmap/current-state-of-play-for-indigenous-business>

<sup>14</sup> Department of Industry, Science, Energy and Resources (2018) Supporting Indigenous Business Project: Research Report. Report. Accessed on 19 August 2021. Available from <https://www.industry.gov.au/sites/default/files/2020-12/supporting-indigenous-business-research-report-phase-1.pdf>

<sup>15</sup> National Indigenous Australians Agency (2021) Early childhood development. Website. Accessed on 19 August 2021. Available from <https://www.niaa.gov.au/indigenous-affairs/education/early-childhood-development>

<sup>16</sup> Eades, S., Taylor, B., Bailey, S et al. (2010) The health of urban Aboriginal people: insufficient data to close the gap. Journal article. Accessed on 19 August 2021. Available from <https://www.mja.com.au/journal/2010/193/9/health-urban-aboriginal-people-insufficient-data-close-gap>

Community First Development continue to provide culturally appropriate support to First Nations people navigating mainstream systems, regardless of location.

**4.4.1 Population size**

The Indigenous Australian population has been growing at a faster pace than the non-Indigenous population. Between 2006 and 2016, the Indigenous population has increased by 2.2 per cent annually, compared to 1.6 per cent for the total Australian population.<sup>17</sup>

The growth in the Indigenous population is expected to continue outpacing the rest of the population in forecasts out to 2031. According to the 2016 Census, there were 798,400 Indigenous people in 2016, representing 3.3 per cent of the total Australian population. By 2031, population forecasts by the Australian Bureau of Statistics projected the Indigenous population to be between 1,046,000 people and 1,093,000 people. This is equivalent to an annual growth rate ranging from 1.8 to 2.1 per cent, which is higher than the 1.3 to 1.7 per cent growth for the non-Indigenous population.<sup>18</sup>

Furthermore, research<sup>19</sup> has suggested that given the under-representation of First Nation people in Census data, these estimates may be understated, and that actual growth may be higher, particularly in urban areas.

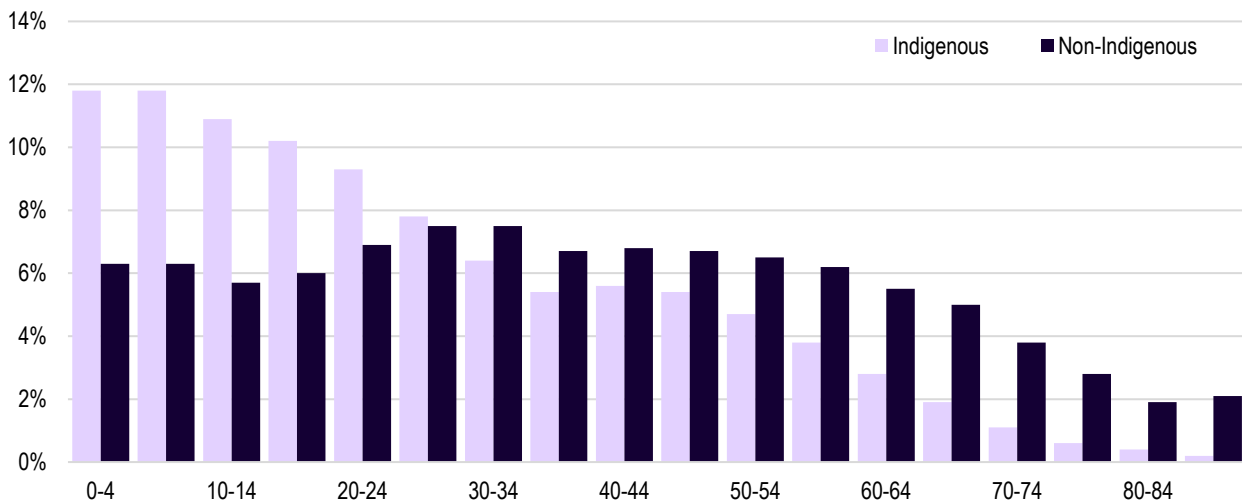
**4.4.2 Age profile**

The projected growth in Australia’s Indigenous population reflects its relatively young age profile, compared to the rest of the population. In 2016, the median age for First Nations people was 23 years, which is considerably lower than non-Indigenous Australians (37.8 years). The largest age group for First Nations people is between 0 to 10-years-old, accounting for 24 per cent of the Indigenous population.

Comparatively, 25 to 34-year-olds made up the majority of the non-Indigenous population at 15 per cent of the total population. **Figure 4.9** shows the age profile of Indigenous and non-Indigenous Australians, using the 2016 Census results.

The population profile of First Nations people highlights the need to provide child and youth supports, particularly those that support improved economic and justice outcomes.

**Figure 4.9** Age profile in 2016



Source: <https://www.aihw.gov.au/reports/australias-welfare/profile-of-indigenous-australians>

<sup>17</sup> Australian Bureau of Statistics (2019). Estimates and Projections, Aboriginal and Torres Strait Islander Australians. Dataset. Accessed on 19 August 2021. Available from <https://www.abs.gov.au/statistics/people/aboriginal-and-torres-strait-islander-peoples/estimates-and-projections-aboriginal-and-torres-strait-islander-australians/latest-release#assumptions>

<sup>18</sup> Ibid.

<sup>19</sup> Taylor A, et. al (2020), The future growth and spatial shift of Australia’s Aboriginal and Torres Strait Islander population, 2016–2051, population Space and Place, Volume27, Issue 4 May 2021, e2401

### 4.4.3 Net migration

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The majority of Indigenous Australians live in urban and regional areas, rather than in remote areas. In 2016, roughly four out of five Indigenous people (81 per cent) lived in major cities, inner regional or outer regional areas, with the remaining 19 per cent living in remote or very remote areas.

Over the next decade, there will be a gradual shift in the geographic distribution of the Indigenous population, as more people leave remote parts of Australia. By 2031, it is projected that up to 85 per cent of the Indigenous population will be living across major cities, inner regional or outer regional areas. This represents a four percentage point increase from 2016 levels.

The net migration out of remote areas means that the relative geographic distribution of Indigenous people would more closely align with the non-Indigenous population, where nearly the entire population lives in non-remote areas. For those that remain in remote communities, supports that increase resilience and self-determination will be increasingly important.

## 4.5 Service Drivers

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Community development activities have the potential to generate large amounts of cost savings for government, by reducing the reliance on government support, services and safeguards. This cost saving is significant, considering the cost of service provision for Indigenous Australians has historically been higher than non-Indigenous Australians. Moreover, there will be additional benefits from providing targeted support to Indigenous communities, where there is often limited access to government services, in addition to the range of disadvantages associated with living in remote areas.

### 4.5.1 Cost of services

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The cost of services for Indigenous Australians has historically been higher than non-Indigenous Australians. In 2016, it is estimated that direct government expenditure per Indigenous person was \$44,886, roughly double the rate for non-Indigenous Australians at \$22,356.<sup>20</sup>

This discrepancy in government expenditure reflects both the higher intensity of service utilisation and larger cost of service provision for Indigenous people. Indigenous Australians use government services at a higher intensity than non-Indigenous Australians, which reflects their greater need arising from higher levels of disadvantage, as well as the higher proportion of the Indigenous population (mostly young) that are more likely to use these services.

Many mainstream government services may not be culturally safe or informed and are therefore less effective for First Nations people, requiring the provision of Indigenous-specific services to complement mainstream services, and leading to an increase in service costs.

Community First Development supports will improve the outcomes for First Nations people across a range of outcome areas and, in turn, reduce the intensity and volume of utilisation of government services.

### 4.5.2 Access to services

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In addition to the higher cost of service provision for First Nations people, there are complications surrounding the accessibility of these services. Notably, service accessibility is often constrained by services being based in urban centres, not in close proximity to where services are required. In 2016, First Nations people accounted for a greater proportion of the remote population (25 per cent of total remote population), than the non-remote population (2 per cent of total non-remote population).<sup>21</sup>

There are numerous examples of the poorer access opportunities to important services in remote areas. For instance, about 40 per cent of very remote Australians are more than 100 kilometres from the nearest hospital, compared with only

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<sup>20</sup> Productivity Commission (2017) 2017 Indigenous Expenditure Report. Report. Accessed on 19 August 2021. Available from <https://www.pc.gov.au/research/ongoing/indigenous-expenditure-report/2017/ier-2017-indigenous-expenditure-report.pdf>

<sup>21</sup> Australian Bureau of Statistics (2017) Census of Population and Housing – Counts of Aboriginal and Torres Strait Islander Australians. Dataset. Accessed on 19 August 2021. Available from <https://www.abs.gov.au/statistics/people/aboriginal-and-torres-strait-islander-peoples/census-population-and-housing-counts-aboriginal-and-torres-strait-islander-australians/latest-release>

three per cent of remote area Australians, and response times for emergency services can be several times higher in remote areas than in major cities, and higher still in very remote areas<sup>22</sup>.

This has important implications on life outcomes, particularly from a health and well-being perspective. For example, the limited accessibility of health services, alongside other factors such as educational and employment opportunities, are commonly associated with poorer health outcomes for individuals residing in remote areas.<sup>23</sup>

## 4.6 Political Drivers

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### 4.6.1 Government Policies

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In recognition of disadvantage experienced by many First Nations people across the dimensions outlined above, numerous policies, agencies and strategies have been activated across all levels of government in Australia. A non-exhaustive list of these include<sup>24</sup>:

- **National Agreement on ‘Closing the Gap’**: aims to close the health and life expectancy gap between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians by 2030.
- **Indigenous Procurement Policy (IPP)**: aims to stimulate entrepreneurship, business and economic development, providing Aboriginal and Torres Strait Islander people with more opportunities to participate in the economy.
- **Indigenous Evaluation Strategy**: provides a whole-of-government framework for Australian Government agencies to use when selecting, planning and conducting evaluations of policies and programs affecting First Nations people.
- **Indigenous Business Sector Strategy**: aims to support First Nations people who want to start or grow their own business, by providing practical business support, financial support and networks.
- **ABSTUDY**: a range of living allowance payments and benefits for First Nations students and apprentices.
- **The Australian Institute of Aboriginal and Torres Strait Islander Studies**: An Australian Government statutory authority with the mandate to create opportunities for people to encounter, engage and be transformed by the story of First Nations people.
- **Indigenous Advancement Strategy**: The Strategy represents the consolidation of Government policies into five overarching programs, including: Jobs, Land and Economy; Children and Schooling; Safety and Wellbeing; Culture and Capability; and Remote Australia Strategies.
- **The Office of the Registrar of Indigenous Corporations (ORIC)**: An independent statutory body who provide services that responds to the special needs of Aboriginal and Torres Strait Islander groups and corporations, particularly in relation to improving practices in corporate governance.

To support the effectiveness of each of these initiatives, there is an ongoing need for supports such as those delivered by Community First Development to First Nations people in terms of navigating, accessing and utilising the available opportunities.

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<sup>22</sup> Productivity Commission (2020), Remote Area Tax Concessions and Payments. Government Report

<sup>23</sup> Australian Institute of Health and Welfare (2019) Rural & remote health. Website. Accessed on 19 August 2021. Available from <https://www.aihw.gov.au/reports/rural-remote-australians/rural-remote-health/contents/summary>

<sup>24</sup> Australian Government (2021) Indigenous.com.au, Government website.

Part Number

Qualitative Assessment of  
Community First Development



# Introduction and Approach

# 5

## 5.1 About Community First Development's Value Proposition

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Community First Development's value proposition – the articulation of the organisation's unique capabilities and position in serving its purpose – is centred on its ability to provide economic and governance related support to First Nations communities.

While Community First Development support a broad range of projects with a range of outcomes, these are the two primary outcome areas that the organisation has prioritised due to community demand. **Governance-related** supports refer to those projects that enable recipients to better define, organise, operate and monitor their organisations. **Economic-related** supports refer to those projects that enable recipients to achieve more efficient, effective and sustainable outcomes through the operations of their organisation.

## 5.2 Evaluation Approach

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ACIL Allen's approach to assessing Community First Development's value proposition was based on three steps, outlined below:

- **Desktop Review:** ACIL Allen undertook a desktop review of existing internal and public information in order to: 1) provide a rationale as to why economic-related and governance-related support is important in First Nation communities and 2) to identify evidence of why Community First Development is well placed to deliver these supports. The review included material produced by Community First Development as well as material produced by external organisations. A list of the material reviewed is provided in **Section 5.3**.
- **Thematic Analysis:** The next step was to conduct a thematic analysis of the information reviewed from the reference material. From this analysis, a list of themes emerged in terms of how Community First Development are well placed to provide economic-related and governance-related supports. Each theme was defined and a supporting example of each in terms of Community First Development's success in providing the supports was provided.
- **Synthesis of Findings:** The final step involved summarising the findings of the thematic analysis to provide a concise statement of Community First Development's value proposition as it pertains to providing economic and governance-related support for First Nations communities. Each statement draws on findings from the desktop review and the thematic analysis.

## 5.3 Data and Information

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The following documents were referenced in conducting the assessment of Community First Development's value proposition:

- Community First Development (2017) **Stories of Change: Toys Change Lives**. Accessed on 9 August 2021. Available from: <https://www.communityfirstdevelopment.org.au/stories/story-of-change-toys-change-lives-pathways-to-employment?rq=lives>

- Community First Development (2019) **Stories of Change: Midwest Yamaji Music Aboriginal Inc.** Accessed on 9 August 2021. Available from: <https://www.communityfirstdevelopment.org.au/stories/story-of-practice-midwest-yamaji-music-aboriginal-inc-mymai-wa?rq=midwest>
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# Assessment Findings

# 6

## 6.1 Governance-Related Supports

### 6.1.1 Why are governance-related supports required in First Nations communities?

Community First Development defines their governance-related supports as follows; *Governance is the evolving processes, relationships, institutions and structures by which a group of people organise themselves to collectively achieve the things that matter to them. Relationships are at the heart of many First Nations organisations, emphasising internal accountability and clear, culturally-informed and regular communication. Governance within a community may also include Western accountability requirements including financial and risk management, compliance and reporting.*

Community First Development's definition aligns closely to that of the Australian Indigenous Governance Institute<sup>25</sup> as *...being about how people choose to collectively organise themselves to manage their own affairs, share power and responsibilities, decide for themselves what kind of society they want for their future, and implement those decisions.*

The Institute expands to note that First Nation's governance is not the same thing as organisational or 'Western' governance. Governance needs to account for context, and for First Nations communities this includes cultural norms, traditions, rules and beliefs and can also be seen at work every day:

- in the way people own and care for their country, arrange a ceremony, manage and share their resources, and pass on their knowledge
- in networks of extended families who have a form of internal governance
- in the way people arrange a community football match or an art festival, informally coordinate the activities of a night patrol and develop alliances across regions
- in the voluntary work of Aboriginal and Torres Strait Islander men and women within their own communities, and as governing members on a multitude of informal local committees and advisory groups.

Given the varying contexts under which the concept of governance operates, it is acknowledge there is often a need to bridge the understanding between First Nations and Western definitions.

As a context-specific practice to effectively define, organise, operate and monitor their organisational activities, governance is a key input to achieving positive social, economic, cultural and environmental outcomes. To be effective, it needs to be authentic and reflect the prevailing values and beliefs, and to be widely adhered to both over time and throughout a community.

Empowering First Nations people with strong skills in governance that aligns to the prevailing context and circumstance of the community sets the foundation to achieve a range of aspirations – from modest individual targets to more ambitious community-wide targets.

<sup>25</sup> The Australian Indigenous Governance Institute (2021) Understanding Governance. Website. Accessed on 3 August 2021. Available from <https://toolkit.aigi.com.au/toolkit/1-2-community-governance#>

### 6.1.2 Is Community First Development well positioned to provide governance-related support?

ACIL Allen found strong evidence supporting the assertion Community First Development is well positioned to provide governance-related support. This evidence has been categorised into four themes, each discussed below.

#### Strategic alignment

Community First Development's Story of Change – the framework guiding the way in which the organisation operates – is largely based around supporting community governance to achieve a community's long term dream. At the centre of the framework is the principle of self-determination and that each community partner owns the targets, activities and outcomes of the projects. In this way, Community First Development is committed to embedding governance-related practices into each of its projects.

Furthermore, **Figure 6.1** outlines Community First Development's distinctive attributes. In particular, the distinctives *By Invitation Only* and *100% Community Driven* highlight Community First Development's commitment to empower communities with the power to own and drive community projects and outcomes.

**Figure 6.1** Community First Development – 'Our Distinctives'



Source: Community First Development, 3 Year Macro Analysis 2017 – 2020

#### Project Outcomes

Over the past 5 years, Community First Development's most common project outcome area was 'Stronger Governance', accounting for between 19 per cent and 48 per cent of projects each year. In FY21, more than one in three of Community First Development's projects had a primary focus on this domain. As a secondary area of focus, 12 per cent of projects aspired to deliver Stronger Governance, with a combined 46 per cent of projects having governance as a primary or secondary focus.

This outcome reflects the operational importance and focus Community First Development places on governance-related projects.

## Research and Evaluation

Community First Development has invested in undertaking research into ways to improve knowledge on engaging with and strengthening First Nations Governance. In 2018, Community First Development commenced a Participatory Action Research project titled *Good Governance Practices*. The research identified the positive ways in which Community First Development currently work, as well as efforts to bridge the divide between western and First Nations definitions of governance.

Furthermore, Community First Development undertake a Monitoring, Evaluation and Learning (MEL) Assessment at both the beginning and end of a project. This practice is aimed at aligning on and tracking a set of co-designed, culturally relevant metrics. The MEL Assessment enables Community First Development to assess and rate each of its projects but also identify broader areas that need future improvement.

The research and MEL Assessments reflect Community First Development's intent to undertake continuous improvement in finding ways to deliver more impactful governance-related projects for First Nations communities.

## Legacy and reputation

Community First Development have been supporting improved outcomes in First Nation communities for over 20 years. This legacy demonstrates the organisation's ability to conduct itself in a sustainable way. This includes the organisations financial management, its engagement with its staff and volunteers and its relationships with its recipient communities.

The legacy and reputation of Community First Development is a critical feature of the organisation's overall effectiveness, and is a key enabler of its governance-related supports. The ways in which the organisation works, by prioritising self-determination and only engaging by invitation, promotes practices of good governance but is also reliant on the organisation's reputation to initiate work with communities.

ACIL Allen's analysis of Community First Development's value proposition can be summarised in the following two statements.

### Key Finding 1 Governance-Related Support - Value Proposition Assessment Statement

Community First Development recognises the importance of establishing good governance practices in a way that bridges Western and First Nations contexts. The way governance operates will vary by organisation, but it is always a key requirement to achieving enduring outcomes by effectively defining, organising, operating and monitoring an organisation's activities.

Community First Development places governance at the core of its project delivery philosophy. The organisation's strategy and operational priority is centred around promoting practices of good governance. Community First Development values continuous improvement and has invested in identifying ways to enhance its capacity to provide effective governance support. Community First Development's strong reputation among its partner volunteers and community recipients supports the organisation's ability to deliver governance-related supports.

## 6.2 Economic-Related Supports

### 6.2.1 Why are economic-related supports required in First Nations communities?

Community First Development defines their economic-related supports as; *increased participation in the economy such as financial recognition and salaries for important roles in community, gaining employment or building a business. It can lead to improved incomes for families and communities. Other outcomes may include strengthened self-esteem and reduced social alienation.*

A number of government policies aim to encourage greater participation of First Nations people in economic development opportunities. The Indigenous Procurement Policy aims to stimulate Indigenous entrepreneurship, business and economic development by setting targets for the volume and value of contracts to be awarded to Indigenous enterprises by the

Commonwealth Government and each Portfolio. In the first two years of operation of the policy, Indigenous businesses won Government contracts worth \$594M, compared to just \$6.2M in 2012-13<sup>26</sup>.

At the State and Territory level, all governments have Indigenous employment strategies and Indigenous targets in the public service aimed at embedding Indigenous employment and supplier-use objectives within a range of projects, including infrastructure and major works programs.

These policies have increased the number of Indigenous Australians going into business. Between 2016 and 2011, there was a 30 per cent increase in the number of Indigenous Australians reporting that they were in business, compared to a one per cent increase for non-Indigenous Australians<sup>27</sup>.

Economic outcomes are intrinsically linked to outcomes in a range of other areas (i.e., health, justice and education) and is therefore an important focus of organisations working to improve the welfare of First Nations people.

The benefits of economic development can also extend beyond those that accrue to the business owner, creating benefits and opportunities for their family, employees, suppliers, customers and the community more broadly.

Economic-related supports can come in many forms and sizes, from helping someone at the start-up phase to supporting businesses to expand and access growth opportunities. Economic-related supports are an important input into aiding Government policies aimed at improving the economic outcomes of First Nations communities.

### **6.2.2 Is Community First Development well positioned to provide economic-related support?**

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ACIL Allen also found compelling evidence underpinning the notion that Community First Development is well positioned to provide economic-related support. This evidence has been categorised into three themes, each discussed below.

#### **Project Outcomes**

Over the past 5 years, Community First Development's second most common project outcome area was 'Stronger Economic Outcomes' (behind 'Stronger Governance'). In FY21, more than one in four of Community First Development's projects had a primary focus on this domain, accounting for between 13 per cent and 27 per cent of projects each year since FY17. Furthermore, another 25 per cent of projects focused on economic outcomes as a secondary indicator, with a combined 52 per cent of projects listing stronger economic outcomes as a primary or secondary focus.

This outcome reflects the operational importance and focus Community First Development places on economic-related projects.

#### **Sustainable Impacts**

The lasting impact Community First Development has had through its economic-related supports is highlighted in the feedback from recipient impacted by the organisation's projects.

In 2020, Community First Development supported a project for Xtra Mile Transport, a not-for-profit company providing essential transport to/from Alice Springs including charter buses for community events, NDIS patient transport, and vehicle recovery. The business owner reflected on the fact that the support provided by Community First Development will enable him to pass on his knowledge and success to others in his community:

*And now, I've learned how to set it up so that one day I can support others coming through. That's something I want to do in the future, when Xtra Mile is up and running and cruising along, we want to start educating our people about cars, about money management, about all this stuff that I'm dreaming about.*

*I think this business will help motivate people to think differently about starting a business. It's going to change everyone, from the oldest to the youngest, those ones going to school, people who are out there with unemployment, I think it will change everyone, and that's my whole plan, to help them young ones think about the impossible, show them that it's possible.*

**Business Owner, Xtra Mile Transport**

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<sup>26</sup> Australian Government, Closing the Gap, Chapter 5 Economic Development. Website. Accessed on 4 August 2021. Available from <https://pmc.gov.au/sites/default/files/reports/closing-the-gap-2018/economic-development.html>

<sup>27</sup> Ibid.

In 2017, Community First Development supported a project aimed at supporting young men break the cycle of recidivism by providing training and employment opportunities. One of the program participants talked about the lasting impact the project will have on his life:

*I kept relapsing and needing drugs all the time. I've only been out for six months, and Pete got me together. It helped me stay out of trouble; I've got something to do, I'm not out there being bored. I'm not going back there [to detention] ever.*

**Program Participant, Pathways to Employment**

These sentiments, expressed by people who have been touched by Community First Development's projects, highlight the enduring and far-reaching impacts Community First Development's economic-related supports can generate.

### Range of Supports

ACIL Allen found evidence of a wide range of economic-related supports provided by Community First Development. As outlined in the organisation *Stories of Change* case studies, Community First Development is versatile in their project support and are able to adapt its services based on the specific needs of the recipient. The below projects illustrate the range of supports Community First Development provide:

- **Kungkas Can Cook:** Community First Development supported Kungkas Can Cook, a café catering and bush foods business based in Alice Springs, to increase efficiency of financial processes and to develop an e-commerce website.
- **Midwest Yamaji Music Aboriginal Inc (MYMAI):** Community First Development supported MYMAI, a not-for-profit organisation in Geraldton, Western Australia showcasing and supporting the growth and development of musical and artistic talent, to get advice around business structures and intellectual property.
- **Aboriginal Males Healing Centre (AMHC):** Community First Development has supported AMHC, a not-for-profit, Aboriginal Community Controlled Organisation, based in Newman, Western Australia offering an alternative to incarceration for men that use violence against women and children, with a range of initiatives including securing grant funding, land acquisition, website development and business registration.
- **The Blue Mountains Aboriginal Culture and Resource Centre (ACRC):** Community First Development has supported AMHC, an organisation providing the local First Nation community with support and services and making culturally appropriate referrals to mainstream services where necessary, to become more sustainable and to develop a structured plan for the future of the organisation, including securing Deductible Gift Recipient status and support in developing a business plan to outline their five-year strategic direction.

These project and service examples show the breadth of economic-related supports Community First Development offer to its community recipients.

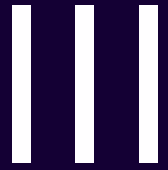
### Key Finding 2 Economic-Related Support - Value Proposition Assessment Statement

Community First Development recognises that improving the economic outcomes of First Nations communities leads to direct and flow-on economic benefits as well as supporting better outcomes in the areas of health, justice and education. In this way, Community First Development's projects support the significant investments made by government in economic-related policies for First Nations people.

Over recent years, Community First Development have demonstrated through numerous project examples and advocate endorsements both the breadth and reach of the organisation's impact in providing economic-related supports. Stronger Economic Outcomes have been the second most common area of focus for the organisation's project-work and account for a significant time and skill contribution from its staff and volunteer network.

## Part Number

Quantifying the Net Economic  
and Social Benefit of  
Community First Development



# Introduction and Approach

# 7

## 7.1 About Cost-Benefit Analysis

In order to estimate the net social and economic benefit of Community First Development, ACIL Allen has applied a cost benefit analysis (CBA) framework. A CBA is a commonly used quantitative framework for logically analysing the social and economic costs and benefits of a particular policy, project or investment. CBA is a method favoured by Governments for assessing the economic efficiency through the systematic consideration of social costs and social benefits associated with a reference program, investment or service.

The basis of a CBA is simple: for a given investment proposal or policy reform, a CBA compares the total forecast costs (including opportunity cost) to the community and economy of the investment or policy with the total forecast benefits. This determines whether the benefits outweigh the costs, and by how much.

The output of a CBA is typically expressed as a Benefit-Cost Ratio (BCR) where total benefits are divided by total costs. A BCR of greater than one indicates that the net benefits of the policy, project or investment exceed the costs – this suggests economic value in investing in the option. The reverse applies for BCRs below one. A CBA provides a framework for analysing information in a logical and consistent way by assisting policymakers to determine which investment option is the most economically effective and efficient in achieving the desired outcomes.

## 7.2 Methodology

The cost benefit analysis has been designed to demonstrate the contribution that Community First Development makes to the Australian economy. The analysis compares the annual operational cost of the organisation to the range of benefits it generates in the communities in which it operates.

ACIL Allen's methodology for conducting the cost benefit analysis was based on 3 steps, as outlined below.

### Step 1: Benefit Scoping

The initial step involved scoping the types of benefits Community First Development's activities and projects were expected to have generated. During this step, ACIL Allen conducted a benefits workshop with the Community First Development team, presenting an overview of possible benefits and taking feedback on this list. The output of this step was a refined list of 7 quantitative and 7 qualitative benefits that applied to Community First Development projects.

The quantitative benefits are listed below:

- **Benefit 1 – Higher rates of employment:** The additional number of income-paying jobs created following the completion of each project.
- **Benefit 2 – Higher rates of business success:** The extent to which each project improved the level of activity (in terms of revenue) of the business / organisation.
- **Benefit 3 – Improvement in health status:** The extent to which each project supported positive changes in people's health through initiatives focused on social, emotional and cultural wellbeing as well as improvements to diet, physical exercise and a reduction in the use of harmful substances.

- **Benefit 4 – Lower rates of welfare dependence:** The number of people no longer reliant on welfare support following the completion of each project.
- **Benefit 5 – Lower rates of justice service utilisation:** The number of people who likely avoided engaging in the justice system following the completion of each project.
- **Benefit 6 – Higher rates of volunteerism:** The additional number of volunteering roles created following the completion of each project.
- **Benefit 7 – Lower rates of housing support:** The number of people no longer reliant on housing support to maintain a house for themselves and their family following the completion of each project.

### **Step 2: Benefits Register**

The next step was centred around a Benefits Register developed by ACIL Allen to support the consistent estimation of project benefits by the Community First Development team. The register was distributed to each of the three Regional Managers to provide benefit estimated for the 67 projects completed by Community First Development in FY21. While Community First Development supported 149 projects throughout the year, only completed projects for the most recent year were chosen as project criteria, given that these projects were recently completed and so were both familiar to the Managers and likely now to generate benefits. Of the 67 projects, 48 were started in previous years and 19 had started and were completed in FY21.

For each of the seven benefits, the respondent was asked four questions about:

- **Benefit Estimate:** These varied by benefit type and provide an indication of the size of the benefit. The benefit types and estimate categories were pre-specified by ACIL Allen after consultation with Community First Development.
- **Estimate Confidence:** The confidence score is based on how confident each respondent was that the benefit estimate will be / has been achieved on a scale of 1 – 5 (5 = very confident and 1 = not at all confident).
- **Timing:** The year in which the respondent estimated the benefit will first be achieved (options span FY2021 to beyond FY2024).
- **Project Importance:** The importance score is based on the extent to which the benefit can be attributed to the Community First Development project, when considering contributions from other organisations / external stakeholders on a scale of 1 – 5 (5 = very important and 1 = not at all important).

The response options were specified by ACIL Allen after consultation with the Community First Development project manager.

It is noted that this exercise required Community First Development to reflect on previously completed projects and develop key estimates around the impact of each. While ACIL Allen trusts this activity was conducted according to principles of honesty and based on best-available estimates, there is an inherent degree of imprecision in such an activity and therefore this is possible a limitation of this analysis.

### **Step 3: Cost Benefit Valuation**

The final step involved ACIL Allen developing assumptions to value the estimates provided in the Benefits Register as well as the organisational costs.

In terms of the costs, ACIL Allen used financial information provided by Community First Development to value the annual cost to deliver the organisation's services and projects. Another estimated cost was the opportunity cost of time contributed by Community First Development's volunteer network.

In terms of valuing the benefits, ACIL Allen conducted a desktop scan to identify evidence-based estimates for each of the benefits. The benefits broadly relate to cost avoidance (e.g., prison) or value creation (e.g., employment). In the case of the health benefits, ACIL Allen has relied on health economic statistics to value the improvements in health outcomes.

In the first instance, ACIL Allen relied on estimates published by government agencies to value the applicable benefits. A key source of information for the cost saving benefits was the annual Report on Government Services, published by the Australian Government's Productivity Commission. Another primary source of information was the Australian Bureau of Statistics.



In cases where benefits were assumed to arise in future years, the value of the benefits were discounted by an annual rate of seven per cent<sup>28</sup> to provide an estimate in real terms for 2021.

As a general principle, the analysis adopted a conservative approach so as to avoid overstating the potential value of the benefits generated by Community First Development.

A number of assumptions were applied to the estimates in the Benefit Register to calculate a monetary valuation. These are summarised in **Figure 7.1** below.

**Figure 7.1** Treatment of Benefit Register Estimates

Response Domain	Description	Assumptions
Benefit Estimate	These varied by benefit type and provided an indication of the size of the benefit. These typically refer to a number of people impacted and are discussed under each benefit.	Each benefit asked the respondent to select from a range – the analysis uses the median estimate for the analysis, with estimates at the high and low range also presented.
Estimate Confidence	The confidence score is based on how confident each respondent was that the benefit estimate will be / has been achieved on a scale of 1 – 5. The score was translated into a coefficient (outlined in the next column) to apportion the benefit value according to the extent to which the respondent had confidence in the estimate.	<ul style="list-style-type: none"> <li>— 1-Not at all confident = 20%</li> <li>— 2-Not very confident = 40%</li> <li>— 3-Moderately confident = 60%</li> <li>— 4-Confident = 80%</li> <li>— 5-Very confident = 100%</li> </ul>
Timing	The year in which the respondent estimated the benefit will first be achieved (options span FY2021 to beyond FY2024).	Discounted based on an annual real discount rate of 7%.
Project Importance	The importance score is based on the extent to which the benefit can be attributed to the Community First Development project, when considering contributions from other organisations / external stakeholders on a scale of 1 – 5. As with the Estimate confidence, the score was translated into a coefficient and used to apportion the benefit value.	<ul style="list-style-type: none"> <li>— 1-Not at all Important = 20%</li> <li>— 2-Not very important = 40%</li> <li>— 3-Moderately Important = 60%</li> <li>— 4-Important = 80%</li> <li>— 5-Very Important= 100%</li> </ul>

Source: ACIL Allen

## 7.3 Assessment Framework

The assessment framework has been developed to estimate the value Community First Development generates through its project support activities. The framework compares a scenario where Community First Development does not exist (the base case) to the actual operational outcomes achieved to estimate the incremental impact of the organisation.

The impacts are measured from an Australian societal perspective, where the costs and benefits may accrue to community members, business owners, or the government (as a funder of public services). The analysis considers these key referent groups and summarise the impacts in the results section.

## 7.4 Assessment of Cost

Community First Development incurs two types of costs in providing project support activities – operational expenditure (direct financial cost) and volunteer contributions (an opportunity cost). These are covered below.

### 7.4.1 Cost 1 – Operational expenditure

Community First Development’s operational expenditure covers the cost to provide the daily operations of the organisation. These include the cost of engaging with First Nations communities, community development activities, measuring and

<sup>28</sup> As per the Federal Government’s Office of Best Practice guidelines for conducting cost benefit analyses.

reporting on impact, research, organising fundraising activities, public awareness raising, company governance and administrative and other operational costs.

**Cost estimate**

The cost of Community First Development’s operational expenditure in FY21 was \$4.59M. A breakdown of operational expenditure for the evaluation year is summarised in **Figure 7.2**.

**Figure 7.2** Breakdown of operational expenditure in FY 21

Operational expenditure	Value
Community development activities	\$2.13M
Direct cost of fundraising appeals	\$0.68M
Raising awareness	\$0.98M
Other operational costs	\$0.80M
<b>Total operational expenditure</b>	<b>\$4.59M</b>

Source: Community First Development Financial Report for the Year ending 30 June 2021

**7.4.2 Cost 2 – Volunteer contributions**

Community First Development engage a network of volunteers who contribute their time and skills to support the organisation’s community development projects. Volunteers support the delivery of projects by sharing their expertise and knowledge with communities. Even though volunteers are operating on an unpaid basis, it is important to consider the opportunity cost of their time spent on volunteering.

To provide an estimate of the value of this time contribution, ACIL Allen has applied the average weekly earnings for those working in the occupation groups professional, scientific & technical services and financial and insurance services (\$53.95<sup>29</sup>) to the total number of hours volunteered (1,701 hours)<sup>30</sup> in the evaluation year. This estimate was deemed reflective of the skills and background of the volunteers within the Community First Development network and selected so as to not understate the potential opportunity cost of this contribution.

**Cost estimate**

Based on the assumptions outlined above, the opportunity cost of volunteer contributions in the evaluation year is estimated to be \$91,764.

**7.5 Assessment of Benefits**

**7.5.1 Benefit 1 – Higher rates of employment**

This benefit is an estimate of Community First Development’s contribution in terms of supporting people to secure and sustain paid employment. This benefit is a measure of the additional income earned by those that gained employment as a result of projects led by Community First Development.

**Assumptions**

The key results of the benefits register are presented in **Figure 7.3**.

<sup>29</sup> Australian Bureau of Statistics (2021), Average Weekly Earnings, Australia, Estimates of weekly earnings classified by industry, sector, state and territory. Government website.

<sup>30</sup> Community First Development Annual Report FY21 (Under embargo, to be published October 2021)

**Figure 7.3** Assumptions – higher rates of employment (full-time equivalent)

Estimates of Jobs	Total Jobs*	Jobs Attributable to Community First Development
Low Estimate	74 jobs	56 jobs
Median Estimate	97 jobs	73 jobs
High Estimate	120 jobs	91 jobs

Source: Benefits Register.

\*Total jobs refer to the total additional jobs created by initiatives supported by Community First Development, while Jobs Attributable to Community First Development are the proportionate number of jobs estimated to be directly due to Community First Development, when considering other casual factors.

To value the employment benefits, ACIL Allen has applied the minimum wage (\$19.84<sup>31</sup>) to the average number of hours a full time employee works in a week (38 hours<sup>32</sup>). An analysis of the project indicates the nature of jobs generated varied in terms of role and pay. However, as a conservative measure and to avoid overstating the possible value of these roles, the analysis assumes the minimum hourly rate.

### Benefit Estimate

Based on the assumptions outlined above, ACIL Allen estimates that overall, Community First Development supported the direct creation of 73 jobs (between 56 and 91 jobs), valued at \$2.5M (between \$1.9M and \$3.1M).

### 7.5.2 Benefit 2 – Higher rates of volunteerism

This benefit is an estimate of Community First Development’s contribution to the creation of additional volunteering roles within other organisations. This benefit is a measure of the value of volunteering work to other organisations, following the completion of a Community First Development project.

### Assumptions

The key results of the benefits register are presented in **Figure 7.4**

**Figure 7.4** Assumptions – higher rates of volunteerism

Estimates of Volunteers	Total Volunteering Roles	Volunteering Roles Attributable to Community First Development
Low Estimate	20 volunteering roles	14 volunteering roles
Median Estimate	28 volunteering roles	19 volunteering roles
High Estimate	36 volunteering roles	24 volunteering roles

Source: Benefits Register

To quantify the value of volunteering work to other organisations, ACIL Allen has applied the minimum wage (19.84<sup>33</sup>) to the average number of hours volunteered in a year (52 hours<sup>34</sup>). Similar to the approach for estimating the value of additional employment, ACIL Allen has assumed the minimum hourly rate as a conservative measure.

<sup>31</sup> Mywage.org/Australia (2021) Minimum Wages with effect from 1/7/20 to 30/6/21. Website. Accessed on 19 August 2021. Available from <https://mywage.org/australia/salary/minimum-wage/archive/20200701>

<sup>32</sup> Fair Work Ombudsman (2021) Maximum weekly hours. Website. Accessed on 19 August 2021. Available from <https://www.fairwork.gov.au/tools-and-resources/fact-sheets/minimum-workplace-entitlements/maximum-weekly-hours>

<sup>33</sup> Mywage.org/Australia (2021) Minimum Wages with effect from 1/7/20 to 30/6/21. Website. Accessed on 19 August 2021. Available from <https://mywage.org/australia/salary/minimum-wage/archive/20200701>

<sup>34</sup> ACIL Allen from Australian Bureau of Statistics (2021) General Social Survey: Summary Results, Australia. Dataset. Accessed on 19 August 2021. Available from <https://www.abs.gov.au/statistics/people/people-and-communities/general-social-survey-summary-results-australia/latest-release#voluntary-work-and-unpaid-work-support>

**Benefit Estimate**

Based on the assumptions outlined above, ACIL Allen estimates that overall, Community First Development supported the creation of 19 new volunteering roles (between 14 and 24 volunteering roles), valued at \$18,870 (between \$13,740 and \$23,994).

**7.5.3 Benefit 3 – Higher rates of business success**

This benefit is an estimate of Community First Development’s contribution to supporting businesses in terms of improving the level of business activity. This benefit is a measure of the increased business profitability and flow-on and indirect economic activity as a result of projects led by Community First Development. These benefits have been calculated so as to avoid double counting the benefits calculated elsewhere (e.g., additional employment).

**Assumptions**

The key results of the benefits register are presented in **Figure 7.5**.

**Figure 7.5** Assumptions – higher rates of business success

Estimates of % Increase in Business Activity	Total % Increase	% Increase Attributable to Community First Development
Low Estimate	20%	15%
Median Estimate	23%	18%
High Estimate	27%	20%

Source: Benefits Register

To value benefits associated with increased business revenue, ACIL Allen has applied the percentage increase in business activity to the revenue generated by a small business (\$257,575<sup>35</sup>). Additionally, a multiplier of 1.3 has been applied to the increased revenue, in recognition that every dollar spent by businesses in regional areas generates \$1.3 in the form of indirect economic activity (including business activity in supply chain businesses).<sup>36</sup>

**Benefit Estimate**

Based on the assumptions outlined above, ACIL Allen estimates that overall, Community First Development directly supported an average of 18 per cent increase in business activity (between 15 and 20 per cent) across the 46 businesses it supported, which is valued at \$1.6M (between \$1.3M and \$1.8M).

**7.5.4 Benefit 4 – Improvements in health status**

This benefit is an estimate of Community First Development’s contribution in terms of improving people levels of physical and mental health. This benefit is a measure of the avoided levels or morbidity and mortality as a result of projects led by Community First Development.

**Assumptions**

In order to monetise the value of health improvements, ACIL Allen utilised the Value of a Statistical Life Year, as specified by the Australian Government of \$220,000<sup>37</sup>, adjusted to 2021 dollar terms<sup>38</sup>.

<sup>35</sup> Australian Small Business and Family Enterprise Ombudsman (2020) Small Business Counts December 2020. Report. Accessed on 19 August 2021. Available from <https://www.asbfeo.gov.au/sites/default/files/ASBFE0%20Small%20Business%20Counts%20Dec%202020%20v2.pdf>

<sup>36</sup> The Australian Alliance for Social Enterprise (2019) The social and economic value of country-based community service organisations. Report. Accessed on 19 August 2021. Available from <https://segra.com.au/perch/resources/2019/catherine-mackenzie-final-22-07-19-report-value-of-country-based-ngo.pdf>

<sup>37</sup> Australian Government, Department of the Prime Minister and Cabinet (2019) Best Practice Regulation Guidance Note Value of statistical life. Government Report.

<sup>38</sup> Reserve Bank of Australia (2021) Inflation Calculator. Based on 3.3 per cent growth between March 2019 and March 2021.

In order to estimate the level of morbidity and mortality avoided, ACIL Allen utilised the AIHW Burden of Disease Study<sup>39</sup> to estimate the disability weight<sup>40</sup> associated with certain levels of health improvements. ACIL Allen took a weighted average of the five highest causes of the total disease burden among First Nations people and applied corresponding disability weights from the Global Burden of Disease Study<sup>41</sup>. The following assumptions were applied according to the level of health improvement estimated:

- Very much improved health: The project extended the person’s life expectancy by two years.
- Much improved health: The project extended the person’s life expectancy by one year.
- Moderately improved health: The project avoided the person suffering a severe disease for one year, equivalent to a DALY of 0.42.
- Slightly improved health: The project avoided the person suffering a moderate disease for one year, equivalent to a DALY of 0.23.
- Very slightly improved health: The project avoided the person suffering a mild disease for one year, equivalent to a DALY of 0.06.

The benefit values were discounted by 10–years<sup>42</sup> (seven percent, real) to account for the delay between the changes each project was estimated to have generated and those changes subsequently resulting in improved health outcomes. This is a conservative measure that accounts for the uncertainty in realising the improved health outcomes and reduces the value of the modelled benefit. The benefits were further discounted (based on estimates from the benefits register) to account for the time at which the benefits were anticipated to begin.

The key results of the benefits register are presented in **Figure 7.6**.

**Figure 7.6** Assumptions – Improvements in health status

Estimate Category - Improvement	Estimate Category - Range	Total People	People Attributable to Community First Development
<b>Very slightly improved health</b>	Low Estimate	10 people	6 people
	Median Estimate	13 people	8 people
	High Estimate	16 people	9 people
<b>Slightly improved health</b>	Low Estimate	1 person	1 person
	Median Estimate	2 people	1 person
	High Estimate	2 people	1 person
<b>Moderately improved health</b>	Low Estimate	36 people	25 people
	Median Estimate	46 people	33 people
	High Estimate	57 people	40 people
<b>Much improved health</b>	Low Estimate	40 people	33 people
	Median Estimate	50 people	41 people
	High Estimate	60 people	49 people
<b>Very much improved health</b>	Low Estimate	28 people	20 people
	Median Estimate	35 people	25 people
	High Estimate	42 people	30 people

Source: Benefits Register

<sup>39</sup> Australian Institute of Health and Welfare (2011), Impact and causes of illness and death in Aboriginal and Torres Strait Islander people. Government Report

<sup>40</sup> Disability Weight represents the relative imposition of a disease on its sufferer – weights range from 0 (perfect health) to 1 or more (equivalent to death).

<sup>41</sup> The Institute for Health Metrics and Evaluation (2019) Global Burden of Disease Study. Organisational website.

<sup>42</sup> While this assumption is not based on empirical research, this time period was chosen as a conservative estimate of the lag between behavioural changes and health outcomes. The discount rate applied over this period effectively discounts the benefit value by 50 per cent.

**Benefit Estimate**

Based on the assumptions outlined above, ACIL Allen estimates that overall, Community First Development’s projects directly improved the health outcomes for 107 people (between 84 and 130), valued at \$9.5M (between \$7.6M and \$11.5M).

**7.5.5 Benefit 5 – Lower rates of justice service utilisation**

This benefit is an estimate of Community First Development’s contribution in terms of supporting people to avoid interacting with the justice system. This benefit is a measure of government cost savings from lower use of justice services.

**Assumptions**

The key results of the benefits register are presented in **Figure 7.7**. The results represent the number of people estimated to have avoided interactions at specific levels of the justice system.

**Figure 7.7** Assumptions – lower rates of justice service utilisation

Estimate Category – Service Type	Estimate Category – Range	Total people	People Attributable to Community First Development
Reduction in infringements	Low Estimate	6 people	3 people
	Median Estimate	8 people	4 people
	High Estimate	9 people	6 people
Reduction in court appearances	Low Estimate	17 people	14 people
	Median Estimate	22 people	17 people
	High Estimate	26 people	21 people
Reduction in long-term prison sentences	Low Estimate	12 people	7 people
	Median Estimate	15 people	9 people
	High Estimate	18 people	11 people

Source: Benefits Register

The value of a **reduction in infringements** was based on the cost for the police to apprehend an offender – estimated to be \$3,667 per offender.<sup>43 44</sup> This estimate was applied to the number of people that were assumed to have avoided an infringement as a result of the impact of projects Community First Development supported.

The value of a **reduction in court appearances** was based on the costs in the above scenario, but with the addition of the person progressing to appear in court. This estimate was based on the cost of accessing the magistrate court system, which is \$955 per court finalisation.<sup>45</sup> This is based on the premise that individuals would first need to be arrested, before becoming liable to appear in court. To value the cost savings from a reduction in court appearances, ACIL Allen has applied the combined cost of \$4,623 per offender, to the number of people no longer interacting with the court system.

The value of a **reduction in long-term prison sentences** was based on the cost of for the prison system to incarcerate an individual – estimated to be \$344 per day<sup>46</sup>, or equivalent to \$125,610 per annum. With the long-term sentence assumed to be three years<sup>47</sup>, ACIL Allen has estimated the cost savings from a reduction in long-term sentences, by applying the cost of incarcerating an individual for three years to the number of people that are no longer imprisoned.

<sup>43</sup> ACIL Allen from Productivity Commission (2021) Report on Government Services 2021: Police services. Dataset. Accessed on 19 August 2021. Available from <https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/justice/police-services>

<sup>44</sup> ACIL Allen from Australian Bureau of Statistics (2021) Recorded Crime – Offenders. Dataset. Accessed on 19 August 2021. Available from <https://www.abs.gov.au/statistics/people/crime-and-justice/recorded-crime-offenders/latest-release>

<sup>45</sup> Productivity Commission (2021) Report on Government Services 2021: Courts. Dataset. Accessed on 19 August 2021. Available from <https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/justice/courts>

<sup>46</sup> Productivity Commission (2021) Report on Government Services 2021: Corrective services. Dataset. Accessed on 19 August 2021. Available from <https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/justice/corrective-services>

<sup>47</sup> The benefit register also included an option for short-term prison sentences (i.e., < 3 years). This category was not chosen for any of the programs. The prison sentence terms were chosen as above or below the mean (2.1 years) and median (4.0 years) sentences for prisoners in Australia.

### Benefit Estimate

Based on the assumptions outlined above, ACIL Allen estimates that overall, Community First Development supported 31 people to avoid interacting with the justice system (between 24 and 37 people), which is valued at \$2.5M (between \$2.0M and \$3.0M).

#### 7.5.6 Benefit 6 – Lower rates of welfare dependence

This benefit is an estimate of Community First Development’s contribution in terms of supporting people to achieve financial independence. This benefit is a measure of the cost savings to government from lower rates of welfare dependence, as a result of projects led by Community First Development.

### Assumptions

The key results of the benefits register are presented in **Figure 7.8**.

**Figure 7.8** Assumptions – lower rates of justice service utilisation

Estimates of People Not Reliant on Welfare	Total people	People Attributable to Community First Development
Low Estimate	66 people	46 people
Median Estimate	86 people	59 people
High Estimate	105 people	72 people

Source: Benefits Register

To value the cost savings to government, ACIL Allen applied an average welfare payment of \$17,412 per annum<sup>48</sup>. The annual welfare payment is a weighted average of welfare payments to recipients in the working age and parenting population.

### Benefit Estimate

Based on the assumptions outlined above, ACIL Allen estimates that overall, Community First Development supported 59 people in avoiding welfare support (between 46 and 72 people), which is valued at \$0.9M (between \$0.7M and \$1.0M).

#### 7.5.7 Benefit 7 – Lower Rates of Housing Support

This benefit is an estimate of Community First Development’s contribution to assisting people secure and maintain housing for themselves and their families. This benefit is a measure of government cost savings from avoided housing assistance.

### Assumptions

The key results of the benefits register are presented in **Figure 7.9**.

**Figure 7.9** Assumptions – lower rates of housing support

Estimates of People Securing Housing	Total people	People Attributable to Community First Development
Low Estimate	32 people	28 people
Median Estimate	41 people	36 people
High Estimate	50 people	43 people

Source: Benefits Register

<sup>48</sup> Department of Social Services (2019) 30 June 2018 Valuation Report. Report. Accessed on 19 August 2021. Available from [https://www.dss.gov.au/sites/default/files/documents/12\\_2019/j18\\_valuation\\_report\\_-\\_final.pdf](https://www.dss.gov.au/sites/default/files/documents/12_2019/j18_valuation_report_-_final.pdf)

To value the cost savings to government, ACIL Allen used the recurrent cost of \$42 per day<sup>49</sup> to provide housing assistance to people who are homeless or at risk of homelessness. Housing assistance is delivered through government funding of specialist homelessness services, which aims to provide transitional accommodation and a range of wraparound support services.

Analysis of service use patterns revealed that 55 per cent of rough sleepers accessed housing assistance services more than once over a four year period.<sup>50</sup> Given the likelihood of persistent homelessness, ACIL Allen assumed that people who have secured permanent housing arrangements following Community First Development’s involvement were able to maintain it for at least a year.








**Benefit Estimate**

Based on the assumptions outlined above, ACIL Allen estimates that overall, Community First Development assisted 36 people in securing permanent housing arrangements (between 28 and 43 people), which is valued at \$0.5M (between \$0.4M and \$0.7M).

**7.5.8 Qualitative Benefits**

In addition to the quantitative benefits outlined above, Community First Development projects generated a number of qualitative benefits. ACIL Allen asked the Regional Managers to indicate whether each of the following 7 qualitative benefits applied to each of the **67 projects** completed in FY21. As presented in **Figure 7.10**, the most commonly reported benefits were Community Connectivity and Cultural Growth (52 out of 67 projects). A description of each benefit is presented below.

**Figure 7.10** Description of Qualitative Benefits

Qualitative Benefit	Description
 <b>Community Connectivity</b>	It was estimated that <b>52 projects</b> enhanced the level of connectedness between people within the community. This may arise as a result of more interactions and / or higher quality interactions.
 <b>Cultural growth</b>	It was estimated <b>52 projects</b> have supported an increase in connectivity to land, traditional languages, culture and country and encourage higher levels of self-determination for First Nations’ people.
 <b>Training and Development</b>	It was estimated that <b>41 projects</b> have supported training and development opportunities for people in the community. This may include formal and informal training and both support people to grow in their current jobs and to secure new jobs.
 <b>Access to services</b>	It was estimated that <b>36 projects</b> supported greater access to quality community services. This may have arisen as a result of introducing new services or increasing the capacity and collaboration of existing services that improve the quality of life for users.
 <b>Safer Communities</b>	It was estimated that <b>35 projects</b> led people to feel safer in their communities. This may have arisen as a result of a reduction in perceived and actual threats to people’s safety such as theft, abuse and violent crimes.
 <b>Research and policy</b>	It was estimated that <b>32 projects</b> made a meaningful contribution to research and policies aimed at improving the lives of First Nations’ people. This may have arisen as a result of confirmation or identification of approaches that achieve better outcomes.
 <b>Child welfare</b>	It was estimated that <b>28 projects</b> supported a better start to life for children within the community. This may have arisen as a result of increased financial security, access to services, support for pregnant mums and other opportunities for children and their parents / guardians.

Source: Benefits Register

<sup>49</sup> Productivity Commission (2021) Report on Government Services 2021: Homelessness Services. Dataset. Accessed on 19 August 2021. Available from <https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/housing-and-homelessness/homelessness-services>

<sup>50</sup> Australian Institute of Welfare (2018) Sleeping rough: A profile of Specialist Homelessness Services clients. Report. Accessed on 19 August 2021. Available from <https://www.aihw.gov.au/getmedia/96b4d8ce-d82c-4149-92aa-2784698795ba/aihw-hou-297.pdf.aspx?inline=true>



# Net Economic and Social Benefit of Community First Development

# 8

## 8.1 CBA Findings and Results

Through its CBA framework, ACIL Allen quantified the costs and benefits generated by the operations of Community First Development in FY21. This includes the two cost types and seven types of quantified benefits, as outlined in **Figure 8.1**.

**Figure 8.1** Summary of Results – Cost Benefit Analysis of Community First Development, FY21

Cost / Benefit	Estimate FY21	% Sub Total
Cost 1 – Operating Expenditure	\$4,590,752	98.0%
Cost 2 – Volunteer Contributions	\$91,764	2.0%
<b>TOTAL COSTS</b>	<b>\$4,682,516</b>	<b>100%</b>
Benefit 1 - Higher rates of employment	\$2,466,535	14.1%
Benefit 2 - Higher rates of volunteerism	\$18,870	0.1%
Benefit 3 - Higher rates of business success	\$1,585,839	9.1%
Benefit 4 - Improvement in health status	\$9,539,800	54.7%
Benefit 5 - Lower rates of justice service utilisation	\$2,421,754	13.9%
Benefit 6 - Lower rates of welfare dependence	\$866,198	5.0%
Benefit 7 - Lower rates of housing support	\$545,968	3.1%
<b>TOTAL BENEFIT</b>	<b>\$17,444,963</b>	<b>100%</b>
<b>NET BENEFIT</b>	<b>\$12,762,447</b>	
<b>BENEFIT COST RATIO</b>	<b>3.73</b>	

Source: ACIL Allen

These results reveal the demonstrable positive economic and social impact Community First Development generates within the communities it operates. An analysis of the 67 projects completed by Community First Development in FY21 generated an estimated \$17.4M in total benefits and \$12.8M in net benefits. Furthermore, these results may understate the organisation's typical annual contribution as they pertain to a period of challenging operating circumstances, including restricted travel and economic uncertainty, created by the COVID-19 pandemic.

### Key Finding 3 Net Economic and Social Benefit of Community First Development

ACIL Allen estimates that for every dollar expended by the Community First Development, including both operating expenditure and the in-kind contribution made by its volunteer network, \$3.73 in economic and social benefits are returned.

Improved health outcomes accounted for over half (55 per cent) of the total benefits, which alone delivers a benefit estimated to be twice that of the organisation’s total cost. Other key sources of benefits include higher rates of employment (14 per cent) and lower rates of justice service utilisation (14 per cent).

Community First Development’s impact is realised across a range of other benefits, including increased business success and volunteerism and lower reliance on welfare and housing supports. While these benefits carry lower value estimates, they are important measures of social welfare and demonstrate the breadth of Community First Development’s impact.

The quantitative results should also be considered concurrently with the qualitative results presented in Section 8.3.8. Key qualitative benefits, such as community connectivity and cultural growth, while not able to be expressed in monetary terms in this analysis, these are important factors that influence the social and economic outcomes of First Nations people within the communities within which Community First Development operates.

In terms of beneficiary groups, Benefits 4,5 and 7 each represent direct cost savings to government agencies, accounting for \$3.8M in benefits. Benefits 1,2 and 6 are measures of broader economic improvements and accrue as financial benefits worth an estimated \$4.1M to community businesses and workers. Benefit 3 (\$9.5M) is an estimate of health improvement and accrues directly to the individual.

## 8.2 Sensitivity Testing

This section presents the impact that changing modelling assumptions has on the overall results of the assessment. While the analysis relies on conservative and where possible evidence-based assumptions, there is necessarily a degree of subjectivity to the results. The sensitivity tests provide an indication of the extent to which benefit estimates are reliant on the magnitude of assumptions adopted. Three sensitivity tests were conducted, as outlined below.

### Sensitivity Test 1: High and Low Benefit Estimates

A key source of estimates for the CBA was the Benefits Register completed by the Community First Development regional managers. The register required the managers to provide a range indication of the size of each benefit. This test illustrates the impact of using the high and low estimates of these ranges. The main analysis adopts the mid-point of these ranges.

**Figure 8.2** Sensitivity Test 1: High and Low Benefit Estimates

Cost / Benefit	Low Estimate	High Estimate
Cost 1 – Operating Expenditure	\$4,590,752	\$4,590,752
Cost 2 – Volunteer Contributions	\$91,764	\$91,764
<b>TOTAL COSTS</b>	<b>\$4,682,516</b>	<b>\$4,682,516</b>
Benefit 1 - Higher rates of employment	\$1,867,548	\$3,065,522
Benefit 2 - Higher rates of volunteerism	\$13,746	\$23,994
Benefit 3 - Higher rates of business success	\$1,344,079	\$1,827,599
Benefit 4 - Improvement in health status	\$7,570,644	\$11,508,956
Benefit 5 - Lower rates of justice service utilisation	\$1,937,403	\$2,906,105
Benefit 6 - Lower rates of welfare dependence	\$667,840	\$1,064,556
Benefit 7 - Lower rates of housing support	\$432,122	\$659,813
<b>TOTAL BENEFIT</b>	<b>\$13,833,382</b>	<b>\$21,056,544</b>
<b>NET BENEFIT</b>	<b>\$9,150,866</b>	<b>\$16,374,028</b>
<b>BENEFIT COST RATIO</b>	<b>2.95</b>	<b>4.50</b>

Source: ACIL Allen

This sensitivity test demonstrates the extent to which the benefit values change given a change in benefit estimate size, between a BCR low and high range of 2.95 and 4.50, respectively.

**Sensitivity Test 2: Discount Rate**

In a CBA, a discount rate is applied to discount future cash flows to account for both inflation and the risk of future benefits not materialising. In effect, the higher the discount rate, the more the analysis reduces the value of future cash flows, which in this analysis penalises future benefits with no impact on costs as they have already been expended (in FY21).

**Figure 8.3** Sensitivity Test 2: Discount Rate

<b>Cost / Benefit</b>	<b>10%</b>	<b>3%</b>
Cost 1 – Operating Expenditure	\$4,590,752	\$4,590,752
Cost 2 – Volunteer Contributions	\$91,764	\$91,764
<b>TOTAL COSTS</b>	<b>\$4,682,516</b>	<b>\$4,682,516</b>
Benefit 1 - Higher rates of employment	\$2,327,941	\$2,682,299
Benefit 2 - Higher rates of volunteerism	\$18,747	\$19,054
Benefit 3 - Higher rates of business success	\$1,585,839	\$1,585,839
Benefit 4 - Improvement in health status	\$8,778,344	\$10,732,135
Benefit 5 - Lower rates of justice service utilisation	\$2,112,210	\$2,926,354
Benefit 6 - Lower rates of welfare dependence	\$811,343	\$951,695
Benefit 7 - Lower rates of housing support	\$545,968	\$545,968
<b>TOTAL BENEFIT</b>	<b>\$16,180,391</b>	<b>\$19,443,343</b>
<b>NET BENEFIT</b>	<b>\$11,497,874</b>	<b>\$14,760,826</b>
<b>BENEFIT COST RATIO</b>	<b>3.46</b>	<b>4.15</b>

Source: ACIL Allen

This sensitivity test demonstrates the extent to which the benefit values change given a change in the discount rate, between a BCR low and high range of 3.46 and 4.15, respectively.

**Sensitivity Test 3: Benefit exclusions**

This sensitivity test presents the impact on the overall analysis of excluding each benefit type. This test demonstrates that Community First Development is not reliant on any single benefit to generate a positive net benefit and / or BCR above 1.

**Figure 8.4** Sensitivity Test 3: Benefit exclusions

<b>Benefit Excluded</b>	<b>Net Benefit</b>	<b>BCR</b>
<b>Primary Analysis</b>	<b>\$12,762,447</b>	<b>3.73</b>
Excluding Benefit 1 - Higher rates of employment	\$10,295,912	3.20
Excluding Benefit 2 - Higher rates of volunteerism	\$12,743,577	3.72
Excluding Benefit 3 - Higher rates of business success	\$11,176,608	3.39
Excluding Benefit 4 - Improvement in health status	\$3,222,646	1.69
Excluding Benefit 5 - Lower rates of justice service utilisation	\$10,340,693	3.21
Excluding Benefit 6 - Lower rates of welfare dependence	\$11,896,249	3.54
Excluding Benefit 7 - Lower rates of housing support	\$12,216,479	3.61

Source: ACIL Allen

### 8.3 Limitations and scope for future work

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This section outlines a number of limitations with this analysis and focus areas for future research.

- **Impact Monitoring:** This analysis builds on previous evidence gained by Community First Development to measure the impact of the organisation in the communities in which it operates. While ACIL Allen understands much progress has been made in this regard, much of the analytical framework used in this report was purpose built for the analysis (i.e., the Benefits Register). This exercise required Community First Development to reflect on previously completed projects and develop key estimates around the impact of each. While ACIL Allen trusts this activity was conducted according to principles of honesty and based on best-available estimates, there is an inherent degree of imprecision in such an activity.
  - ACIL Allen recommends Community First Development integrate a prospective benefit tracking evaluation system into its existing monitoring and evaluation approaches, aligned to the benefits and costs outlined in this analysis (and more, as appropriate), that includes metrics for benefit targets and outcomes that are also endorsed by those receiving the community supports. This may also include an estimation of the organisational cost incurred to deliver each project to estimate the relative impact of and return on each project.
- **Benefit Measures:** The scope of this assessment has required ACIL Allen to undertake a rapid assessment of the social and economic impact of Community First Development. While this analysis covers a broader array of project benefits, the analysis could be improved by expanding the benefit list to consider the impact of Community First Development more comprehensively through its community projects.
  - ACIL Allen recommends Community First Development continue to monitor the impact the organisation has in its communities and whether additional benefits may be considered in future assessments.
- **Existing Measures:** As noted, ACIL Allen understands Community First Development has expanded its data management and evaluation capabilities in recent years. While these capabilities demonstrate a commitment to articulating the organisation's value in the context of First Nations communities, there is an opportunity to improve the transparency and summative value of these measures. In particular, the Story of Change indicators in public documents are reported in aggregate, with limited transparency around how these measures are calculated, or what outcomes were achieved.
  - ACIL Allen recommends Community First Development enhance the reporting of Story of Change indicators, including an appendix listing of all project and dream indicators, and consideration of a weighting factor to reflect the relative effort and impact associated with the realisation of each.

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