



Cottage
by the Sea
Queenscliff

Social return on investment analysis

July 2019

*“I think it’s pretty incredible
that we have somewhere like
Cottage to call our second
home.”*

–Mentor program participant

Report prepared by:

SVAConsulting

Funding for this project was
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Executive summary

What is Cottage by the Sea?

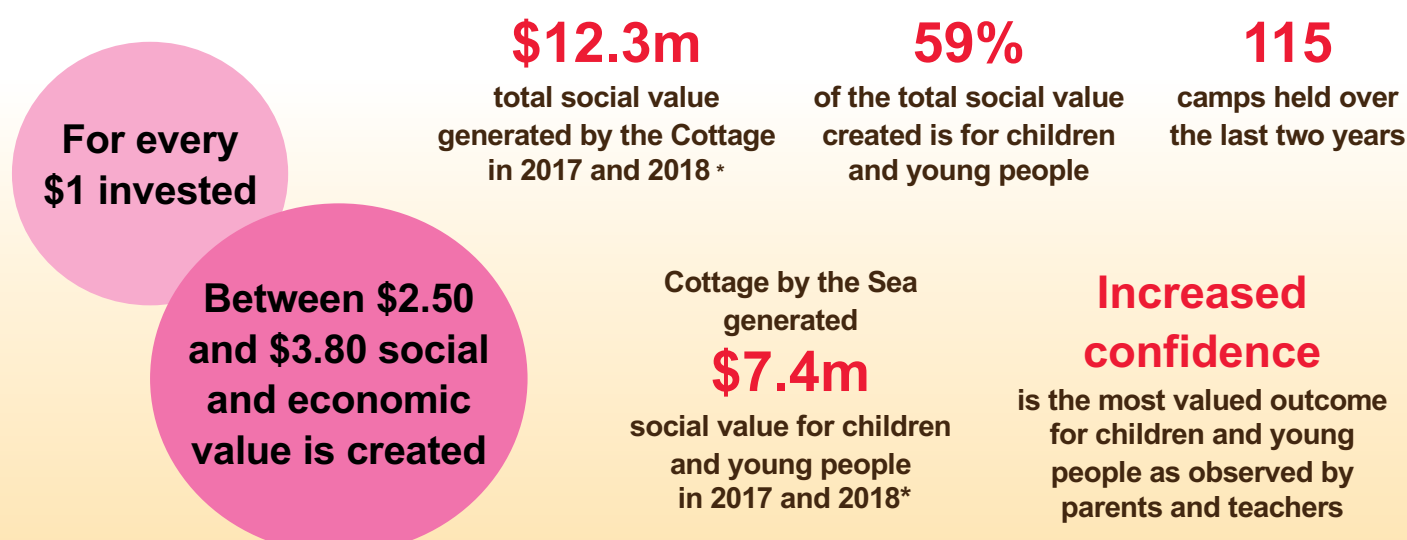
Cottage by the Sea ('Cottage') was established in 1890 by Elizabeth Calder and Annie Hitchcock. Traditionally a place for children to come for restoration and health, today the Cottage is a children's charity that provides four tailored camp programs for children in need. The Cottage's mission is to enhance the lives of children in need by providing inspiration, fun and opportunity within a holiday environment.

What is the purpose of this analysis?

The Cottage commissioned Social Ventures Australia (SVA) Consulting to determine the social return on investment (SROI) of the Cottage over the last two financial years (2017 and 2018). The SROI framework was used to understand, measure and value the change that occurred for stakeholders as a result of the Cottage's activities.

Impact of Cottage by the Sea in FY17 and FY18

The Social Return on Investment analysis found that Cottage by the Sea generates positive social value for children and young people, families, parents and carers, volunteers and the wider community:



Key insights

- 1** Learning from fun is important, and creates significant value for children
- 2** The impact of the Cottage perseveres beyond the duration of the camps, and can last a lifetime
- 3** The Cottage's impact on children is positively compounded with more frequent engagement
- 4** A child's happiness benefits the whole family
- 5** The Cottage is an enduring part of the community

**Note that the financial proxies used to value the outcomes in this analysis are estimates of their market value. The figures stated here refer to the base case analysis. The SROI range denotes the difference between the base conservative analysis and a less conservative analysis. For more information, refer to page 16 of this report and the supporting evidence.*

Key insights

The SROI analysis revealed key insights about what makes the Cottage unique, described below. The story behind the SROI analysis is stepped out through the remainder of this document.

Learning from fun is important, and creates significant value for kids



The Cottage experience offers inspiration, fun and opportunity that achieves complementary and mutually re-enforcing outcomes for children and young people. About 60% of the value of outcomes generated by the Cottage benefit them. The most significant outcome experienced by kids was an increase in their confidence. This was complemented by outcomes such as an increased ability to form healthy relationships, a sense of belonging and increased hope for the future.

The impact of the Cottage perseveres beyond the duration of the camps, and can last a lifetime



Children, parents, teachers and former camp participants all reported that the Cottage impacted children well beyond their time on camp. Most (90%) parents surveyed felt the impact for their children lasted beyond 12 months, and there are numerous examples of participants who attribute a change in their life trajectory to their time at the Cottage. For some, the Cottage's impact is a lifetime journey.

The Cottage's impact on kids is positively compounded with more frequent engagement



The Cottage's programs target children at different stages in their life - and unlike many school camps - offer the opportunity for continuous engagement over many years. As a result, those who are involved in the more intensive REEF and Mentor programs are impacted more significantly than those that attend one camp. Multiple touchpoints deepen the outcomes and value experienced by young people.

A child's happiness benefits the whole family



The Cottage's camps benefit the whole family. Almost a quarter of the value generated by the Cottage was attributed to families, parents and carers. Families shared that the happiness the young people experienced permeated the whole home. Further, the Cottage alleviated the financial and emotional pressures on families by providing opportunities that their carers or parents may not have been able to afford, easing the pressure on the family unit and giving them the chance to take a break.

The Cottage is an enduring part of the community



Founded in 1890, the long history of the Cottage has made it an icon in Queenscliff, and the wider Victorian community. It provides the community a sense of belonging and constancy, particularly for those that may have experienced a turbulent childhood. This sense of community is exemplified in the devoted community support the Cottage receives through donations, volunteering, raising of awareness and fundraising efforts, and the constant string of people reaching out to the Cottage to reconnect with their past.

Activities

Two of the four programs offered by the Cottage are *Take a Break* and *National*. Each program caters to a different group, however the mission is the same: to provide inspiration, fun and opportunity to children and young people.

Take a Break

Overview

Children aged 6-12 attend one camp at the Cottage in Queenscliff for 3-5 days.

Focus

The camp is focused on inspiration, fun and opportunity.

Number of camps held and children attending

30 camps held each year with an average of 20 children attending each camp.

What's involved: The program emphasises co-operation and respect and encourages children to be healthy, active, happy and secure. Children attend the Cottage in Queenscliff in school or agency groups and begin their experience with a healthy and delicious meal prepared by the Cottage chef. The children engage in a range of physical and educational activities including initiative games, free play, swimming, surfing, walks, music lessons, art and visits to the Marine Freshwater Discovery Centre and other local sights in the Borough of Queenscliffe.

National

Overview

Young Indigenous Australians aged 8-18 from remote and rural Australia attend a week long city camp.

Focus

The camps provide students an opportunity to increase their confidence and skills, and raise awareness of education and career pathways.

Number of camps held and children attending

6 camps held each year with an average of 15 young people attending each camp.

What's involved: This program is delivered as a partnership with the Cathy Freeman Foundation and involves a week long camp that explores city life in Darwin, Brisbane, Canberra, Melbourne or Sydney. The camps include activities that build confidence, role model positive behaviours, strengthen personal identity, cultural pride, encourage goal setting and allow the young people to learn about potential employers and educational opportunities.

"Cottage by the Sea has had a profoundly positive experience on all our children who attended and has also been invaluable for their carers."

- Take a Break teacher



Activities

The remaining of the four programs offered by the Cottage are REEF and Mentor. They are longer programs aimed at the development of participants at pivotal moments in adolescence.

REEF

Overview

Children aged 11-14, attend ten camps over two years.

Focus

The camps foster confidence, leadership and personal development.

Number of camps held and children attending

10 camps held each year, with an average of 22 young people attending each camp.

What's involved: Beginning in grade six, the two-year program supports a group of students through their final year of primary school and their first year of secondary school. Candidates for the program are identified by their school prior to their transition from primary to secondary school. They attend camps based at the Cottage or offsite in a range of outdoor environments.

Mentor

Overview

Young people aged 13-18 attend five to six camps per year over five years.

Focus

The camps foster confidence, leadership and personal and professional development.

Number of camps held and children attending

12 camps held each year with an average of 33 young people attending each camp.

What's involved: Graduates of the REEF program are eligible to become Cottage Mentors. Mentors engage in onsite and offsite camps and take part in activities such as public speaking engagements, outdoor adventure education, accredited training courses, volunteer work, the mentoring of younger children, hospitality programs and interstate travel. The Cottage also provides Shining Star Scholarships to Mentors experiencing financial constraints or to enable Mentors to pursue hobbies or other interests. A number of mentors go on to become Alumni of the Cottage and have the opportunity to participate in camps on an ongoing basis.

Cottage by the Sea in FY17 and FY18*

115

camps held over the last two years

2,334

children and young people attending camps, including repeat visitors

274

volunteers devoted their time to the Cottage in 2017 and 2018



"My time at Cottage has made me feel more positive and happier than before the camps."

– REEF program participant

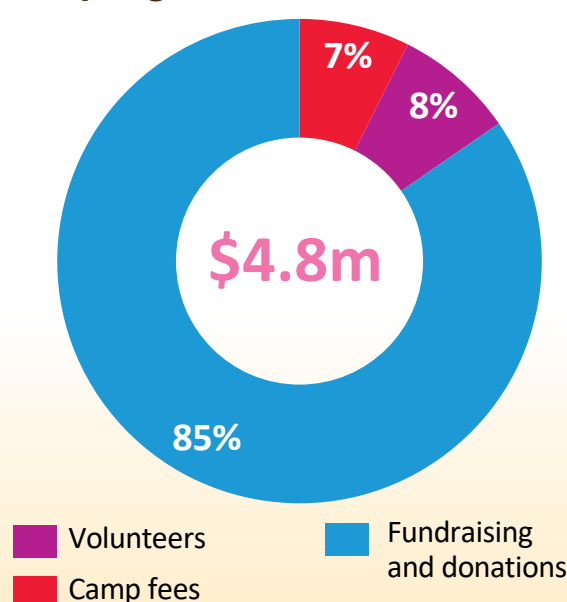
* Figures reflect camp and participant numbers across all of the Cottage's camps and programs in FY17 and FY18.

Investment

The investment included in an SROI analysis is a valuation of all the inputs required to achieve the outcomes that will be described, measured and valued. Both monetary (cash) and non-monetary (in-kind) contributions were invested to generate the outcomes.

The total investment of the Cottage from July 2016 to June 2018 was \$4.8 million. A total of \$4.4m in cash was invested, with an additional \$440,000 non-monetary (in-kind) investment through volunteers and donors. Both direct and indirect program costs are considered in the SROI investment figures.

Total investment in Cottage by the Sea's programs for FY17 and FY18¹



Fundraising and donations

- Fundraising and donations are the largest investment in the Cottage. This equated to \$4.4m in **cash investments** and over \$55,000 of **donated goods** during FY17 and FY18.
- Administration, fundraising and other non-program costs are funded from the proceeds of the Cottage By The Sea Foundation. Investment in the Foundation is independent of fundraising and donations for Cottage programs.
- The in-kind donations illustrate the significant community support the Cottage receives.
- The Cottage does not seek or receive government funding for program delivery.

Volunteers

- The **non-monetary investment** from volunteers was the second largest investment in the Cottage during the period of analysis.
- With 10,056 hours volunteered each year, the value of the volunteer investment was estimated at over \$380,000 for the period. Volunteers fundraise for the Cottage and assist staff in program delivery.

Camp fees

- Because of the contribution of donors and volunteers, the Cottage subsidises costs for **schools, parents and carers**.
- In FY17 and FY18, schools contributed \$64,000, and parents and carers contributed \$23,000.
- The **Cathy Freeman Foundation** also provided funding of \$270,000 to cover costs of the National program.

¹A compound rate of 1.5% p.a. was applied to the total value of investments to calculate present value. This captures the time value of money and allows us to compare like-for-like investments. This rate was chosen as it is the Reserve Bank of Australia's average cash rate for the period between July 2016 and June 2018.

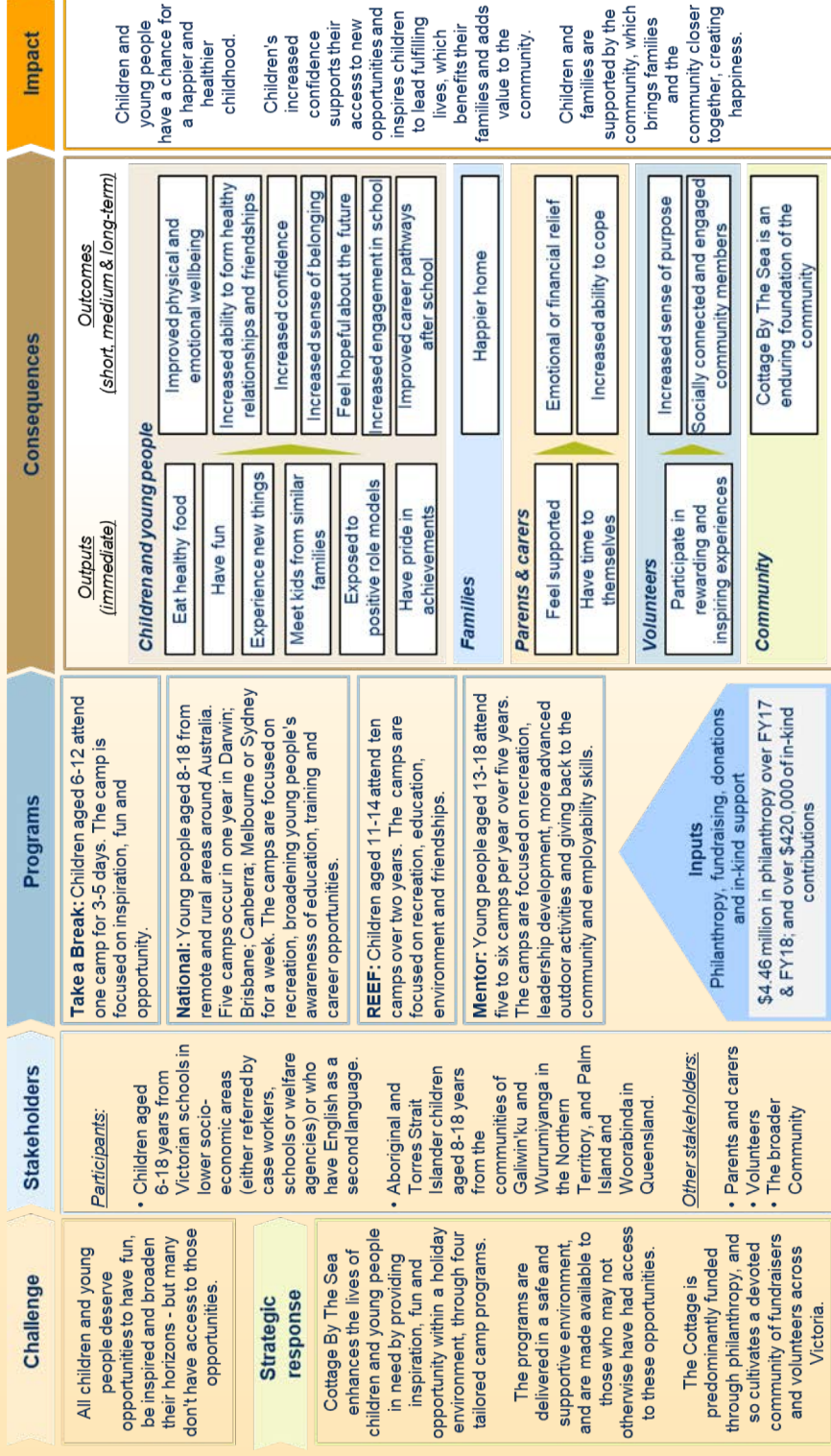
Theory of Change

The Theory of Change is a visual representation of how the Cottage seeks to achieve its mission and impact.

The 'Challenge' articulates why the Cottage exists and the problem it wishes to address, which is that many children and young people do not have the opportunities to have fun, be inspired and broaden their horizons. The Cottage aims to solve this through the delivery of four tailored camp programs as stated in the 'Strategic response'.

An overview of the camp programs and participants showcases the cohorts impacted and activities run by the Cottage. The 'Inputs' indicate the investment that allows the Cottage to run these programs.

The 'Consequences' are the outcomes for each stakeholder group. These consequences are divided into immediate outputs and short, medium and long term outcomes. The longer term outcomes have been valued in the SROI analysis. Ultimately, as the Cottage delivers these outcomes, it will achieve its impact where children and young people have a happier and healthier childhood, access to new opportunities and are inspired to lead fulfilling lives. Note that no negative consequences were identified.



Benefits for children and young people

The majority (59%) of value created by the Cottage is for children and young people participating in the camps. The Cottage supports seven key outcomes for children and young people. The more camps they attend over time, the greater the outcome.

Increased confidence

The Cottage provides opportunities for participants to try new things, develop new hobbies, go to unfamiliar places and socialise with other young people and adults. Therefore, the most important impact the Cottage has on children and young people is an increase in confidence. This was identified as the most important and widely experienced outcome by parents and carers of camp participants, teachers and young people themselves.

"I was very shy, and the Cottage helped me to find my voice."

– Mentor program participant

"I feel more confident in myself and have been speaking up more in class. It built my confidence skills."

– REEF program participant

For young people experiencing disadvantage, or coming from environments where they may not be praised for their efforts or given attention, the Cottage's staff provide thoughtful encouragement and support, assisting young people to step out of their comfort zones. As a result, young people see learning in failure, see that each new experience chips away their fears and builds their self-belief.

Increased ability to form healthy relationships and friendships

The first time young people engage with new and challenging outdoor experiences at the Cottage, they do so with a group of peers that they may not be friends with or know well. By sharing these moments of anticipation, unfamiliarity, accomplishment and triumph with this group, participants learn to make new friends with those around them.

As young people attend more camps, these relationships and friendships become deeper and they develop a cohort of diverse friends through the Cottage. Staff also mentor participants informally and offer support which models a healthy, positive relationship with adults, vital to those who may not have experienced this prior to the Cottage.

"For seven years our girls were involved in the REEF and Mentor programs with Cottage by the Sea. This has been the best experience and has provided them with life skills, leadership and friendships for life."

– Parent



Benefits for children and young people

Improved physical and emotional wellbeing

The location in Queenscliff plays an important role in the Cottage's activities and programs. Most activities are centred around the beach and being active in the outdoors as well as contributing back to the community around them. Therefore, the Cottage's programs encourage outdoor activity, eating healthy and helping each other.

The Cottage offers a respite to many young people from the realities of their lives and provides opportunities for children and young people to learn through fun, take time for themselves and reflect on their experiences, skills and their aspirations for the future. As a result, many young children experience an increased sense of physical and emotional wellbeing from the Cottage.

"Cottage by the Sea helped and supported my partner and I as children through some of the most difficult times of our childhood. Thank you so much for being a support network, when we didn't have much."

– Alumni from 2001

Feel hopeful about the future

Each program at the Cottage intends to inspire children and young people in different ways. Take a Break is focused on inspiring children to have fun and learn about the outdoors, REEF is focused on social development, Mentor is about inspiring youth to achieve their life and career goals and the National program widens the youth's exposure to potential employers and career paths. Whatever the goal or aspiration may be, the Cottage assists children and young people to broaden their horizons.

For those experiencing disadvantage, a glimmer of hope, belief in their skills and opportunities to explore these further, can change their outlook on life. Not only does the Cottage provide hope for the future through opportunities at camp, but also through scholarships for young people to pursue their talents and interests and become well-rounded young adults (e.g. music lessons, funding for instruments, cake decorating courses, karate lessons, and training courses).

"I believe Cottage helped me to become who I am today and influenced the way I live my life and what I want in the future. I have decided to this year study nursing at university because I want to travel to developing countries and assist in aid and medical treatment through voluntary work."

– Mentor program participant



Benefits for children and young people

Increased sense of belonging

Many of the children and young people engaged by the Cottage might not feel as though they belong or have a place they deeply connect with in their lives. This may be due to their social skills, their family's financial circumstances, their background or culture or other difficult challenges they may be facing. The Cottage provides a constant in their lives. It has been there for many years, and as the REEF and Mentor programs are multi-year with camps occurring frequently, young people come to see the Cottage as another home.



"Cottage gave her a place to fit in."
– Parent

The culture of the Cottage plays a huge role in the increased sense of belonging participants feel. Children and young people are often met with smiling local volunteers, enthusiastic staff and generous donors when they attend. The support rallied behind the Cottage adds to this sense of belonging, as participants feel they are important and cared for by the community.

Increased engagement in school

Increased engagement in school and the local community results from the other outcomes experienced at the Cottage. Confidence and an increased ability to make new friends are immediate changes that teachers and parents have been able to observe post engagement with the Cottage and can have a ripple effect on other aspects of their lives.

"They feel more competent and often seem to feel very proud about what they have done. These things all contribute to an increased feeling of self-worth, which then has a ripple effect onto many areas of the child's life, including improved relationship."

– Teacher

For example, 100% of the teachers surveyed agree or strongly agree that they had a better relationship with the young people that attended the Cottage camp. These outcomes can materialise in different forms related to increased engagement in school including volunteering in their local community, better relationships with their teachers or take up of leadership roles in school.

Improved career pathways after school

For some young people the experience of attending the Cottage over many years can be enough to set them on a different trajectory.

Through broadening their horizons, young people may be more likely to finish school, attend university or set their sights on a more aspirational career than they might have otherwise.

"I don't think she would have gotten to this stage (studying and working) if she didn't have CBTS. She would have been stuck struggling in school. She matured and became so much more confident."

– Parent

Benefits for other stakeholders

Value is also created for four other stakeholder groups: families, parents and carers, volunteers, and the broader community. Outcomes for each stakeholder are outlined below with an explanation of how the Cottage creates this value.

Families

Happier home

A happier home was the most valued outcome by parents and carers. This benefits the entire family unit including children and young people. This was evident when the children came back from the camps happy and enthusiastic, which permeates throughout the family. For instance, one parent shared that when their child returns from camp, the family all sits and hears from them what they have experienced.

"She came back from camps a lot happier and looked forward to going. She was so happy and excited about everything she had done. It was uplifting for the family to see."

—Parent

Parents and carers

Financial relief

Emotional relief

Many families would not be able to afford the opportunities and experiences their children have at the Cottage. Therefore, they feel grateful, financial relief and emotional relief from knowing the Cottage is looking after their child. Parents and carers also get emotional relief and respite from looking after the children and young people for the time they are at the camp. This is extremely valuable to parents or carers who do not get much time to themselves as they are working, are a single parent or have a large family.

"I would not have been able to afford all the experiences and camp opportunities that my child has had, and I am very grateful for this support."

— Parent

Volunteers

Socially connected & engaged community

There is a large community of volunteers both at the Cottage in Queenscliff and surrounding areas. They all contribute to the maintenance of the building, the kitchen, fundraising and events and donations. The volunteers find purpose at the Cottage as they can see the impact of the Cottage on the children and young people. For instance, they can see the joy the children have when they put on a knitted garment made by a volunteer. The nature of the volunteering experience, the culture of the organisation all contribute to an increased sense of purpose amongst volunteers as well as a more engaged wider community.

Increased sense of purpose

Community

An enduring foundation of the community

The Cottage is an enduring foundation of the Queenscliff and wider community. Established in 1890, there is value in the Cottage being a constant throughout many people's changing lives, particularly for those that may have experienced a turbulent childhood. It provides the community a sense of solace, belonging and constancy. This is exemplified by the abundance of messages the Cottage receives from people in the community who are looking to reconnect with their past by contacting the Cottage. It's value is akin to other things that provide that sense of long-standing comfort in a community such as a historical heritage building or one's childhood home.

"My time at Cottage by the Sea instilled values in me that have stayed with me forever." — Alumni from 2006

Note that as a result of the outcomes delivered by the Cottage, government may also benefit. The causal relationship between the impact of the Cottage and future outcomes that would directly benefit government was not deemed material to be valued in this analysis. However, the analysis has highlighted that the Cottage's programs have a transformative impact on the lives of a vulnerable cohort – and plays an important role in the community.

In the spotlight

Take a Break

Take a Break is the most highly attended program at the Cottage, and offers children a chance to have fun, explore new opportunities and engage in outdoor recreation. It invites children aged 6-12 to attend one camp at the Cottage in Queenscliff for 3-5 days together with their peers. The students are referred into the program through case workers, schools or welfare agencies, and are generally from low socio-economic areas. The Cottage has delivered the program to Western English Language Schools ("WELS"), who provide English language programs to students who have recently arrived in Australia, prior to their enrolment in a mainstream school.

A typical camp begins with a pick-up by the Cottage staff from the school or station to bring the children to Queenscliff. Immediately the children are greeted with a healthy lunch, amazing views of the ocean and a 'goodie bag' of warm knitted items and toiletries. For many children, this welcome shows the Cottage is a place that cares about them and allows the children to feel an increased sense of belonging, not only to the Cottage but to the community, and for the WELS children, to Australia.

The Take a Break activities vary from free play and surfing at the beach to educational trips around the local area such as Point Lonsdale Light House and the Marine Freshwater Discovery Centre in Queenscliff. For some children it is the first time they have been surfing, seen a beach, experientially learnt about marine life, or had consistently healthy food. The consequences for the children are instantaneous. By the end of the week they've formed friendships, built relationships with camp staff and teachers, increased their confidence and go home to their families excited to share what they've learned.

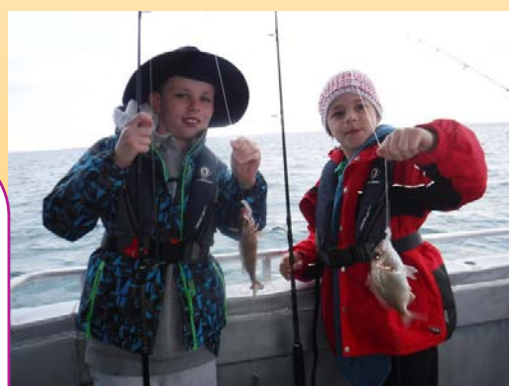


"Most of our students are blown away by the food, comfortable accommodation, adults who will spend time playing sport with them and reading bedside stories to them. The Cottage is like a big warm hug. The knitted scarves and socks are always well received. There is always two or three kids who will come up to me and say, 'we want to live at the Cottage'. They NEVER forget this experience. It can turn kids around, give them a breather from their reality and provide inspiration for the future."

– Teacher, WELS

"My son has completely changed, his confidence is one of the biggest changes. He's not afraid to give things a go and has made new friendships."

- Parent of a Take A Break camp participant



In the spotlight

Recreation, Education, Environment, Friendship (REEF)

Beginning in grade six, the two-year REEF program follows a group of students through their final year of primary school and their first year of secondary school. Many students struggle with the transition from primary to secondary school as adolescence is a time when emotional and behavioural problems can become more pronounced. To make this transition a little easier REEF invites students to attend ten camps over the two years, to foster students confidence, leadership and personal development. The following extract describes a common experience on a REEF camp.

The kids were picked up from their schools in Geelong on Friday afternoon. There was a mix of emotions on the bus - nervous of what to expect, anticipation for the activities planned and excited for the new friends they were bound to make.

Saturday was spent swimming, exploring Queenscliff and walking. On one walk in the afternoon, the kids were challenged to explore their 'five senses'. This involved stopping and taking in all around us – the smell of the salt air, the feel of the sand between the toes, the sight of the swell moving in the open ocean and listening to the waves crash on shore - a simple thing that we often forget to stop and do. Sunday came around before we knew it, but we still had one more activity up our sleeves for the kids – surfing! Down to Ocean Grove Main Beach we headed with wetsuits in hand and surfboards in tow. The conditions weren't desirable but all of the kids had the opportunity to feel the freedom of standing on a surfboard.

Before getting back on the Cottage buses, we had a final chat about how we felt about the camp, what we achieved and what we were looking forward to. We can't wait to continue working with this great group of kids over the coming years. Thanks to all of them for making it such a fantastic weekend!

- Camp Leader

"I can't wait for the next camp because they're awesome."

- REEF participant



In the spotlight

Mentor

The Mentor program follows young people as they navigate adolescence. Graduates from the REEF program are encouraged to apply for the Mentor program to stay connected with the Cottage throughout their high school years, maintain their friendships, grow their leadership skills, volunteer in the community, broaden their horizons and mentor junior Cottage attendees.

Mentors are encouraged to work hard and to dream big, and attend 5-6 camps a year over five years. Camp experiences are quite broad – but include: climbing mountains, the Harbour Bridge in Sydney, brewing coffee, paddling up stream, fishing, learning first aid, earning food handling certificates, making new friends and reuniting with old ones. Shining Star Scholarship opportunities (open only to Mentors) allow students to pursue dreams that may have once seemed out of reach by funding training and equipment for interests and hobbies. The following extract describes a common experience at the Mentor camp.

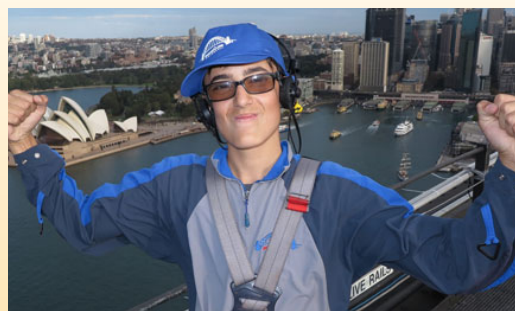
Through rock climbing children can learn to cope with fear, stress and develop self-resilience, which is exactly what the Mentor participants learnt from their four-day camp at Mt Arapiles. These participants showed an abundance of trust, motivation, self-confidence and teamwork to help them achieve getting to the top of a climb. Especially a climb called Repo Man. I pointed out to the team that the Repo Man was the most difficult climb set up on the day, with that said the challenge was set and the Mentors were all geared up to give it a go...It pushed our participants and made them face their fears.

Then the moment came that one Mentor could be heard saying "I can do this!" and that is when the magic occurred. The whole team got around and rallied support, offering advice on foot and hand placement, encouraging the individual and cheering so loudly that they may have frightened a few wallabies lurking close by. This encouragement and support inspired our climbers to continue and accomplish the task. It's amazing how the mind set can change when filled with positivity.

- Camp Leader

"The Mentor program provided my child the opportunity to experience and grow with peers, encouragement, a sense of achievement and socialisation and life skills."

- Parent of a student who participated in the Mentor Program



In the spotlight

National – Cathy Freeman Horizons Program

The National program, also known as the Horizons program, is facilitated by the Cottage in partnership with the Cathy Freeman Foundation. The program offers Aboriginal and Torres Strait Islander students from remote and rural communities the opportunity to experience a week in a city. It aims to increase their confidence and skills, and raise awareness of education and career pathways. The following extract describes a common experience on a city trip.

Our most recent camp was in Darwin. The grade 5/6 Horizon students had travelled by plane, 81.4km from Wurrumiyanga Bathurst Island and a huge 515kms from Galiwin'ku. A daunting week away from family, friends and their communities exploring all that Darwin had to offer staying at the Michael Long Learning and Leadership Centre. The 15 students were selected to develop leadership, to build confidence, for educational reasons, for role modelling positive behaviours, cultural pride and exchange of stories and language. We were greeted by bright eyes and smiling faces, a great start to camp.

While in Darwin, we explored the city. We travelled by buses to many cultural and educational attractions. Some of the activities included basket weaving for the girls by Norma from Starwin Social Enterprise. While Lorry and Troy took the boys to Austin Lane to see a huge painting of the late Dr G Yunupingu on the side of Carpentaria House painted by artists Andrew J Bourke and local Indigenous artist Jesse Bell. We cruised the Corroboree Billabong with our guide who gave us so much detail on the area and enjoyed spotting a few crocodiles plus a huge array of birds and other local wildlife in their natural setting. The students shared language and translated different animals along the way.

The students also participated in a session with AMRRIC (Animal Management in Rural and Remote Indigenous Communities) and the Ark Vet and learnt about the links between humans and animals. The AMRRIC staff spoke about looking after a family pet and what exactly that entails. The students were introduced to 'Toby' the dog and they were able to help bath him. By Friday, all students were not as eager to rise early out of bed as they were tired and keen to get some extra rest before the day's activities. There was still so much to do before they set off home. Shopping was a high priority for these 15 students but not before they made their families, their school and themselves very proud by standing up in front of the group and delivering speeches. The Principal from Galiwin'ku was extremely proud of the way his students spoke especially since some of them were so shy at the beginning of camp.

-Camp Leader

A majority of National program attendees (90% in 2017 and 84% in 2018), experienced an increase in confidence as a result of the program.



Value created

The Cottage delivered an SROI ratio of between 2.5:1 and 3.8: 1 based on the investment for the period of analysis. For every \$1 invested in Cottage by the Sea, between \$2.50 and \$3.80 of social and economic value is created.

The Cottage had a substantial impact on the lives children and youth experiencing disadvantage. The programs allow children and young people to have fun, make new friends, become more confident, broaden their horizons and become inspired. The total value created by the Cottage is the unique value created for the stakeholders attributable to the investment between July 2016 and June 2018. The following table is a summary of the value created for each stakeholder group.¹

Stakeholder	Outcome	Baseline ²		Scenario: Increased proxy value 50% ²		Share of total value
		Value (\$'000)	Total value by stakeholder (\$'000)	Value (\$'000)	Total value by stakeholder (\$'000)	
Children and young people	Increased confidence	\$2,900	\$7,400	\$4,400	\$11,200	59%
	Increased ability to form healthy relationships and friendships	\$700		\$1,100		
	Improved physical and emotional wellbeing	\$600		\$1,000		
	Increased sense of belonging	\$100		\$300		
	Feel hopeful about the future	\$1,400		\$2,000		
	Increased engagement in school	\$200		\$300		
	Improved career pathways after camp	\$1,500		\$2,300		
Families	Happier home	\$2,000	\$2,000	\$3,000	\$3,000	16%
Parents & Carers	Financial relief	\$600	\$800	\$1,000	\$1,200	6%
	Emotional relief	\$200		\$300		
Volunteers	Increased sense of purpose	\$1,100	\$1,700	\$1,600	\$2,500	14%
	Socially connected and engaged community members	\$600		\$1,000		
Community	The Cottage is an enduring foundation of the community	\$600	\$600	\$900	\$900	5%
Total			\$12,500		\$18,700	
Total present value (discount rate 1.5%)			\$12,300		\$18,400	
Total investment (incl non-monetary, present value discount rate 1.5%)			\$4,788		\$4,788	
Total cash investment (present value discount rate of 1.5%)			\$4,348		\$4,348	
SROI ratio			2.5 : 1		3.8 : 1	
SROI ratio (cash only)³			2.8 : 1		4.2 : 1	

As with any financial modelling, it is expected that any changes in the variables would result in changes to the SROI ratio. A sensitivity analysis has been conducted as an indicator of which variable/s have the most significant impact on the ratio. For the majority of scenarios tested, the SROI ratio remains significantly above 1:1, indicating that the social value created is greater than the investment.

¹ All values have been rounded to the nearest \$100,000, with the exception of the investment figures which are actuals. For further detail refer to the supporting evidence.

² In addition to the Baseline analysis – one sensitivity analysis has been presented in the table above - whereby the value for the proxies used for each outcome has been increased by 50%. This is presented in recognition of the impact that the choice of proxies can have on the analysis. With respect to the Baseline analysis, conservative proxy values have been used.

³ The SROI ratio (cash only) shows only the return on cash investments made into the Cottage in the investment period. The complete SROI ratio accounts for both monetary and non-monetary investments.

SROI methodology

The Social Value principles are the standard for conducting SROI analyses. These principles, described below, form the basis of an SROI.

1. Involve stakeholders	• Stakeholders should inform what gets measured and how this is measured and valued.
2. Understand what changes	• Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes as well as those that are intended and unintended.
3. Value the things that matter	• Use financial proxies in order that the value of the outcomes can be recognised.
4. Only include what is material	• Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.
5. Do not over claim	• Organisations should only claim the value that they are responsible for creating.
6. Be transparent	• Demonstrate the basis on which the analysis may be considered accurate and honest and show that it will be reported to and discussed with stakeholders.
7. Verify the results	• Ensure appropriate independent verification of the analysis.

Understanding the change

The Social Value principles guided the following five steps of the SROI project:

1. Define stakeholders, inputs and outputs.
2. Understand and measure change
3. Value change
4. Estimate contribution to change and calculate social return
5. Tell the story

To define stakeholders and understand the change, SVA Consulting attended a Take a Break camp and interviewed 19 stakeholders to inform this report. This included six volunteers, one former board member; two teachers; six staff members; three funders and one parent of an alumni participant of the mentor and REEF program. Furthermore, over 45 parents of current attendees, 8 parents of alumni attendees, 10 alumni participants and 12 school teachers were surveyed.

Valuation

Financial proxies are used to value an outcome where there is no market value. Importantly, within an SROI, the proxy reflects the value that the stakeholder experiencing the change places on the outcome. The use of proxies in this SROI forms a critical component of the valuation exercise as most of the outcomes identified have no market values. There are a number of techniques used to value outcomes and in this analysis the 'revealed preferences' technique was used. This is when a financial proxy is inferred from the value of a related market price.

To ensure the outcome values did not overclaim the Cottage's impact, SROI Filters were applied. These include deadweight (whether the change would have happened without the Cottage), attribution (who else contributed to the change), duration and drop-off (how long the change lasts for and whether the Cottage's influences diminishes over time).

The Cottage 1890-1970



The Cottage 1970-2018



Call to action

Cottage by the Sea needs your support

Help us to continue to provide inspiration, fun and opportunities to more children and young people through a donation to Cottage by the Sea.



"The Cottage helped me through school and presented so many opportunities that I'm grateful for and I know that The Cottage will always be there, it's a home away from home."

- Mentor program participant

Contact us

29 Flinders Street, Queenscliff, VIC

Tel: (03) 5258 1663

Fax: (03) 5258 4347

Email: info@cottagebythesea.com.au
www.cottagebythesea.com.au

Volunteering

Volunteer hours are the second largest investment in Cottage by the Sea. Our amazing volunteers keep the Cottage alive. Some come every week; some once a year; others come when they can. Each one is valuable to us. Please contact us if you have time and skills to offer.

Donations

As well as financial donations, the children at Cottage by the Sea benefit from donations in kind, including clothes, toys, food and toiletries. Our Wish List is updated seasonally and posted on our website, or you can contact us for more information. Please note we only give the children NEW items.

Guest speakers

We love to spread the word about the Cottage and are happy to have your group visit the Cottage for a Devonshire Tea, talk and tour. We can also come to you!

Professional Disclosure

SVA has prepared this report in good faith on the basis of our research and information available to us at the date of publication ("Information") without any independent verification. SVA does not guarantee the accuracy, completeness or currency of the Information. This report was prepared by SVA for the use and benefit of our client only and solely for the purpose for which it was provided. SVA does not accept any liability if this report is used for an alternate purpose from which it was intended, nor to any third party in respect of this report.

About SVA

Social Ventures Australia (SVA) is a not-for-profit organisation that works to alleviate disadvantage – towards an Australia where all people and communities thrive. We influence systems to deliver better social outcomes for people by learning about what works in communities, helping organisations be more effective, sharing our perspectives and advocating for change. We do this through four areas: Consulting, Impact Investing, Ventures, and Policy & Advocacy. SVA Consulting is Australia's leading not-for-profit consultancy. We focus solely on social impact and work with partners to increase their capacity to create positive changes. Thanks to more than 10 years of working with not-for-profits, government and funders, we have developed a deep understanding of the sector and 'what works'. We have deep experience working in various sectors including Disability, Education, Employment, Family Violence, First Australians, Health, Housing, and Mental Health. Our team are passionate about what they do and use their diverse experience to work together to solve Australia's most pressing challenges.