



Social value of sport

**Quantifying the
non-economic benefits of
sport and active recreation**

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Introduction

What are social benefits?

Grant applications, business case guidelines and other requests for government funding are making increasing references to social impact, social benefit or social value. But what does this mean?

Usually when we talk about social benefits we are talking about a diverse range of positive impacts which accrue to people, places and communities (rather than the economy). These might represent benefits to individuals, an improvement in the way that communities function or in society-wide outcomes and health or environmental benefits.

Why are they important?

Policy makers at every level want to invest in projects and programs which will make a real impact and do more for less. Understanding what drives these benefits is increasingly influencing decision making at every level of government.

While we are evermore connected technologically, we are living in a world where trends like increases in urbanisation, multiculturalism, ageing populations and the so-called “crisis of loneliness”,¹ have necessitated the need for proactive social capital creation.

The COVID-19 pandemic and the impacts it has had on our physical and mental health has brought the need for investment in social connection into even sharper focus and sport and active recreation should be a part of any government’s social reactivation agenda.

Sport, active recreation and social benefits

The ability of sport and active recreation to drive a number of positive social outcomes has long been assumed and is increasingly supported by literature. However, until recently, the inability to measure these outcomes has meant they are often not given the same level of consideration as economic benefits. If sports projects want to be competitive, improving the robustness of the measurement of these outcomes is vital as sports projects (particularly at a community level) often struggle when compared with projects in sectors such as transport or health on an economic basis alone. The KPMG Sports Advisory team has worked with both Commonwealth and state governments to develop methodologies to ensure these important benefits are part of funding decision making and to change the narrative around sport and sports infrastructure from one of ‘cost’ to one of ‘investment’.

What are the social benefits of sport?

There are a number of social benefits of sport and active recreation which are well documented in literature. In 2018, KPMG was engaged by Sport Australia to quantify the economic, social and health benefits of community sport infrastructure ([find the report here](#)).

We have built on this work as research has progressed and to refine our analysis for different geographic contexts and have been able to quantify the impacts of:



Reduced risk of chronic disease, dementia and falls



Improved mental health and wellbeing and volunteering benefits



Improved education and employment outcomes

There are numerous other benefits which are supported by a strong evidence base but which will require further research to quantify, including:



Increased levels of trust



Reduced anti-social behaviour



Increased social connectedness and inclusion



Urban renewal



Increased community pride and identity creation



How does sport and active recreation drive these benefits?

Not all sport and active recreation projects and programs are created equal and it is important to consider when measuring outcomes the factors which have been shown to influence and drive social benefits and make these activities most effective.

These factors include:



Targeting cohorts likely to generate the biggest benefits

Scientific studies overwhelmingly show that the most significant benefits from physical activity come when inactive people become active, rather than already active people becoming more so. These cohorts typically include women, older people and those from CALD backgrounds.



Having facilitators with the right skills

Those who facilitate activity, whether paid coaches / trainers or volunteers, should have skills that allow them to engage with participants from ALL backgrounds and levels of ability and to recognise non-inclusive and damaging behaviours.



Lowering barriers to participation

In this vein, many of the above-mentioned cohorts are not active because they face barriers in becoming so – whether cost, non-inclusive cultures or physical environments, or a lack of flexibility and options in ways to be active which do not cater for busy lives or diverse capabilities.



Being deliberate

These outcomes don't happen by accident. Many of them require deliberate programming which considers the points above. More broadly, setting the tone within sporting and recreation organisations with representative leadership, progressive codes of conduct and the right reporting and accountability mechanisms is vital.

The measurement of social value

While approaches need to be adapted to the level at which outcomes are being measured, there are some broad principles and considerations which ensure robust and evidence-based measurement of social value.

Understanding drivers

Following a process like that outlined below can help ensure that benefits are well understood and appropriate quantification methodologies are selected. This can go a long way to avoiding some common pitfalls (for example, double counting) and can also lead to the identification of additional benefits which may not be quantifiable but can strengthen a case for investment.

A process for identifying and quantifying the benefits of sport and active recreation



Quantification methodologies

While quantification methodologies for social benefits need to be developed on a benefit-by-benefit basis taking into account available data and research, there are some key considerations which should inform the selection of an appropriate approach.



Assess the quality and applicability of evidence available

Quantification should be supported by quality, peer-reviewed and appropriate evidence. Research findings relied on should have been conducted on populations and in circumstances which reflect those in which the benefits are being measured and should be sufficiently general to be applicable in broader contexts.



Identify the right parameters

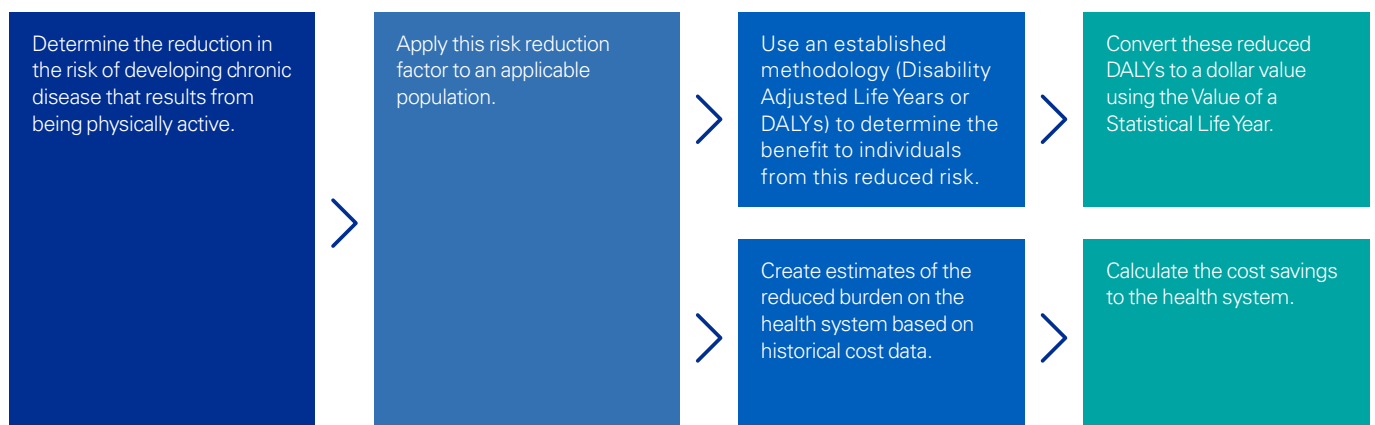
For many (although not all) benefits, there is an incremental and quantifiable benefit factor (e.g. a reduction in the risk of breast cancer) which can be estimated through a literature review. This factor then needs to be applied to an appropriate and reasonable population.



Determine an appropriate mechanism to monetise the measurement

There are a number of ways to assign a monetary value to a quantified benefit. These might include measuring government or private savings that result from the benefit or drawing on existing quantification methodologies like the Value of a Statistical Life Year. An example methodology for the benefit from reducing the risk of chronic disease is provided at a high level below.

Example: quantifying the benefits of a reduced risk of chronic disease





Tailoring measurement approaches

Measurement approaches should reflect the context in which outcomes are being measured. As stated above, different levels of measurement require modifications to quantification methodologies taking into account the applicability of the evidence collected and the data available. The measurement approach can be tailored to explore the benefits of sport and active recreation at multiple levels, e.g. at a system level (i.e. nationally or state-wide), by sport or by a specific project / program.

Other methodological considerations

Some of the additional key methodological considerations include:

- ✓ Avoiding double counting (i.e. making sure the same benefit isn't measured multiple times across multiple beneficiaries); and
- ✓ Ensuring consistency in measurement across benefits so they can be aggregated.

Going forward

Why do we need to get better at articulating these benefits?

While we will never be able to truly measure and quantify all of the benefits of sport and active recreation, ascribing monetary values to these benefits where possible will help get sport projects on a level playing field with projects from other sectors with more established measurement methodologies.

Moreover, there are a range of other positive outcomes of having a better understanding of these benefits and the drivers that underpin them.

Some of these are outlined below:



Better collaboration within and across government(s)

The benefits of sport are far reaching with many highly aligned with the objectives of other government portfolios such as health, human services, education and transport. By understanding and providing an evidence base for these benefits, the sports and recreation portfolios at all levels of government can have more informed intra- and inter-governmental conversations and look for opportunities to collaborate to drive positive social outcomes on a larger scale.



Better prioritisation of projects

Understanding the quantum of benefits through comparable and consistent measurement may help in more effectively prioritising the projects and programs which will drive the best outcomes. This is true for government funded initiatives but also for those funded through other investors in the sector like not-for-profits and national and state sporting organisations. Moreover, it is true at all levels of decision making. Robust and reliable assessments of the social benefit generated by various programs and projects will provide funders with a wealth of additional information with which to make investment decisions including the award of funding and the prioritisation of funded projects and programs.



Learning from evaluation of past projects

These measurements can be built into more holistic evaluations of projects and programs to provide an additional layer of quantitative information which, in addition to helping with prioritisation, can also assist with project / program design and the direction of funding towards programs which achieve maximum benefits.



How can we get better at articulating these benefits?

Aside from developing robust quantification methodologies, there are a number of other improvements government and the sport and active recreation sector can make to better articulate social value.

These include:



Data collection

The availability of robust, reliable and consistent data is integral to the quantification of value. However, data collection in the sector is often immature. There are many reasons for this, including the reliance on volunteers, the disaggregation of the sector and the fact that data is primarily collected to measure commercial, rather than social, outcomes. Investing in capability uplift and incentivising the collection of accurate data will greatly improve the accuracy and reach of the quantification of social value. Evolutions in technology and the ways in which people use it to be active should further support better data availability.



Reporting and evaluation

Using data collected to evaluate the performance of investments with consistent and robust evaluation frameworks will build an evidence base for future business cases and can create incentives for data collection.



Research

Investing in broadening the scientific study of these outcomes will add to the accuracy of these measurements as well as the regard they are given by investment decision makers. Currently, while anecdotal evidence would support their inclusion, many social benefits are typically excluded from quantification due to a lack of academic corroboration.



Who has a role to play in moving this work forward?

The simple answer is everyone. All sector stakeholders can benefit from a better understanding of what drives social value, whether it is to fund the best programs or make sure they have a strong case for funding. Moreover, all stakeholders have a role to play in building the tools and datasets to allow the better articulation of this value. KPMG has worked with a number of different bodies to help them measure the social value generated by particular projects and programs, sporting infrastructure and sport and active recreation more generally. These have included Commonwealth, state and local governments as well as sector peak bodies.

Social value can be demonstrated across the entire sport and active recreation spectrum...

- ✓ Across the whole of sport
- ✓ By program
- ✓ By project
- ✓ By Local Government Area
- ✓ By State /Territory
- ✓ At a national level
- ✓ By National Sporting Organisation
- ✓ By State Sporting Organisation
- ✓ By club
- ✓ By facility

About us

KPMG's dedicated Sports Advisory practice is committed to ensuring sport maximises its commercial, economic and social value and contribution – whether that be enhancing brand and sponsorship outcomes, delivering unforgettable fan experiences, supporting athlete wellbeing or partnering to drive greater social value through participation in physical activity. KPMG Sports Advisory comprises an international, multi-disciplinary team of professionals who combine market leading capabilities and experience with their passion for sport to keep our clients at the top of their game.

Working across the entire sporting landscape – including National Sporting Organisations (NSOs) and State Sporting Organisations (SSOs), leagues, clubs, sponsors, suppliers, venues, event owners/promoters, rights holders and governments – KPMG Sports Advisory provides an extensive range of services tailored for sport.

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