

SROI Report: Food Connect Pty Ltd

Mission Statement:

Food Connect engages communities to support agriculture enabling equitable and efficient distribution of genuine quality fresh food between local farmers and families.

Business Summary:

Food Connect achieves its mission by sourcing produce that is ethically grown (beyond organics) and direct from the farmer. The produce is packed at its Homestead and then distributed through a convenient and flexible 'City Cousin' local distribution system. Families are able to know their farmers and provide feedback which in turn provides opportunities for farmers to grow better produce with improved eco-principles.

There are also social goals to generate employment for long term unemployed and people with a mental disability.

SROI Executive Summary:

Business Value:

Food Connect has been operating for about 3 years and had turnover of \$824,450 in 2007 with a surplus of \$190,025. Revenue growth is still strong and will come from the addition of new customers in Southeast Qld of 50% in 2008 and 2009, settling down to about 25% year on year. Profit levels will continue to grow with an average of \$480,000 over the five years, driving a 5 year business valuation of \$1,290,000.

Social Value:

In addition to improving quality of life and self esteem, significant Social Value is generated for the individual target employee, improving their net financial position by around \$13,500 pa (average salary of \$24,333 pa, with new taxes of \$3,431 pa and a reduction in unemployment and disability benefits of approximately \$7,030 pa). Food Connect is aiming to employ 47 new employees from a marginalised background over the next 5 years, with about 38 long term unemployed and 9 people with a disability.

Food Connect is expected to inject around \$2,900,000 back into the community over the next five years as employees access a reduced level of unemployment and disability benefits (by around \$7,030 pa) and also contribute some additional taxes. Social value is calculated at \$2,256,257 with almost 70% due to a reduction in unemployment benefits.

Blended Value:

Over a five year period, Food Connect is expected to generate around \$3,546,257 in financial value through its business activities and social impact. With an estimated \$100,000 in Net Assets as at 30 June 2007, this equates to a return of \$35.50 for every dollar invested.

Issues to Consider:

With a mission of employing staff from marginalised backgrounds, there is a need to track the pre-employment, employment and post-employment situations for Food Connect employees. This includes an understanding of their type of marginalisation, government benefits received, employment income and access to government services.

| Organisational Profile | |
|----------------------------------|-------------------------------|
| Product/ Service Area: | Food packing and distribution |
| Annual Turnover | \$824,450 |
| Employees (excluding management) | 24 |

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| % employees from target background (specify what the target background is) | 100% FTE (24 staff) x 46% head count (11 staff) long term unemployed and disability backgrounds |
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| Key SROI Results (2007-2012) | |
|--|-------------|
| Business Value | \$1,290,000 |
| Social Value | \$2,256,257 |
| Blended Value | \$3,546,257 |
| Investment | \$100,000 |
| Blended Return | 35.50 |
| Average financial improvement pa per employee from target background | \$13,500 |