

# PCYC Cost-Benefit Analysis

Cost-Benefit analysis of a proposed facility redevelopment

**LOCATION**

Brisbane, QLD

**CLIENT**

Police Citizens Youth Club (PCYC)

COST-BENEFIT ANALYSIS

## Background

The Police Citizens Youth Club (PCYC) is a not for profit organisation that works with the Queensland Police Service. The aim of the PCYC is to facilitate and encourage participation in sporting, recreation, cultural and welfare programs with an aim to improving the lives of individual members and local communities throughout Queensland.

In 2015, the PCYC at Inala proposed a \$1.6 million redevelopment of its facilities to increase its gym floor space and to provide additional activity and office space. The additional space provided by the redevelopment was expected to be used by other community organisations for child care and mental care support.

PCYCs play an important part in a community. Not only do they deliver typical sporting benefits such as improvements in health and opportunities for recreation, but they are also hubs for community engagement. This includes activities tailored for children, new parents, immigrants, or others new to the community amongst others. This means that additional space and more tailored facilities has the potential to improve community outcomes on a wider level than typical gyms or similar facilities.

## Our role

NineSquared was engaged to undertake a cost-benefit analysis of the proposed redevelopment. The cost-benefit analysis included the expected costs, such as the initial redevelopment cost and the ongoing costs associated with operations and maintenance. It also included the expected benefits, such as improvements in health outcomes, improved social cohesion, and welfare impacts to users.

Estimating impacts for projects of this nature can be difficult, particularly where participants use the facilities for different reasons. Not everyone using the gym are doing so for physical health reasons, others may be using them to benefit their mental health. Some people use PCYCs as a break from their normal life, while others are meeting friends or establishing new connections. Since many of the

activities are free or low cost, estimates of benefits needed to rely on alternative measures of value. Understanding the consumer and producer surpluses was required to help estimate project benefits.

Funding for the project was sought by PCYC under the Federal Government's "National Stronger Regions Fund". The fund provides for 50/50 funding of local community projects. Our report presented the economic and social case for funding of the redevelopment, and was included in a broader submission. Through our role, we provided advice on the overall submission to ensure it aligned to the appropriate guidelines and presented a clear case for change. The project was ultimately funded, with the expansion delivered and open for use.

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## FOR FURTHER INFORMATION

For more information, find one of our experts at [ninesquared.com.au/people](https://ninesquared.com.au/people)