

Market Briefing Wrap-Up:

Aboriginal economic development

1 August 2018

Dubbo Regional Theatre and Convention Centre, Dubbo NSW

The following provides a summary of the questions asked at the session, and the answers provided.

The way government defines success may not be the same way the community defines success. How will this be managed?

Social impact investment does not dictate the outcomes and how to measure it. These will be co-developed with the shortlisted proponents according to their service which will ensure it aligns with community needs.

Will the holistic effect of services beyond employment be included in the outcomes?

If there is a connection to economic development and that can be demonstrated in the proposal, it is still relevant for this opportunity. One of the benefits of SII is that the outcomes and measures can be built according to the proposal, providing that there is data available. OSII is open to having these discussions around the holistic effects of services during the co-development process.

How will the government ensure complete community buy in, as some in a community may be for a service while others are against?

As part of the submission process, applicants must provide detail of their engagement with community, including how they have/will engage with community members in the development and implementation of their proposed service. This will be validated by the government in the evaluation stage through follow up information on who proponents have consulted with.

Will this process force communities to compete for bid money? This can cause a divide to occur in communities.

The RFP is a competitive process as it needs to abide by NSW procurement policy. All non-government organisations are eligible to apply for the SII. There is potential for partnerships to be made within communities when making an application.

The \$10 million is over four years. This is not a long enough time to gain meaningful impacts?

The \$10 million has been allocated over four years as part of the Budget process which runs over the forward estimates. This does not mean the investment will be four years. OSII is flexible with the timing and for it to be longer.

How does the funding work? Do the service providers receive the \$10 million?

The \$10 million over four years is the outcomes payment of the social impact investment.

Investors play a role in providing working capital, which is paid back through the outcome payments with a return based on the level of outcomes. Government has in the past provided a "Standing Charge"



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upfront which is a prepayment of the outcome payment. This is negotiated during the co-development of the proposal phase / joint development phase. If the service provider is able to, they may also invest and this provides confidence to potential investors of the effectiveness of your program.

It should be noted that there is no typical design for the investment, OSII does not want participants to feel constrained by the previous examples of SII. Different models and ways of structuring the investment is open for consideration.

Do you bring the investors on board?

No, but we can provide a contact point via our published list of intermediaries. You also do not need to have secured an investor at this stage of the process. This can be explored and finalised during the co-development phase or later.

What if the outcomes are not met, is the service provider at financial risk?

Who takes on financial risk and to what extent is up to the service provider and their partners including investors to agree.

If the program is not achieving outcomes as expected, there is room to make changes to the way the program is delivered to improve outcomes i.e. apply continuous improvement. And in any case, there will be lessons learnt that will help build the evidence base for what works / does not work in Aboriginal economic development.

Can we come talk to you about potential programs to discuss their relevance to the opportunity before preparing a submission?

We are bound by probity rules but we can provide general information on NSW Government activity and priorities in social impact investing provide information on RFP processes, timing and requirements.al.

Does the submission have to be five pages, or can it be less?

Proposals must respond to the submission questions in maximum 5 A4 pages or less, it can be less than five pages.

How are you going to address accessibility, especially for communities with no internet access?

Proposal will need to be lodged online via the NSW eTender website. OSII will work with its Regional DPC offices to ensure people who want to apply have access to do so.