

Launch of the Expert Advice Exchange

Trevor Danos AM

Excellent work has been done by Treasury, DPC and others to prepare the way for a thriving social impact investment market in NSW. This includes social impact bonds and payment-by-results contracts, as well as related areas such as strategic commissioning and public service mutuals. The work being done in NSW is cutting edge and NSW can rightly say that it is leading the world.

A noteworthy constraint to a thriving market is the technical capacity of NGOs and social enterprises. Small to medium and new NGOs and social enterprises need help to evolve and to be social-impact-investment-ready. This promotes contestability and diversity and of course it ties in nicely with the creation of a pipeline of activities, innovations and priorities under the *Social Impact Statement of Opportunities*.

Late last year we came up with the simple idea of creating a war chest of professional service resources that could be used for this purpose. This is the essence of the Expert Advice Exchange or EAX. The key components of such a war chest or kitty are:

- (1) an upfront commitment of hours specifically for capacity building;
- (2) an involvement of government, both central agencies and line agencies, in identifying targeted areas and in facilitating the bringing together and matching of supply and demand; and
- (3) a triaging mechanism to ensure optimal allocation of a scarce resource.

The EAX is one element of capacity building; it can co-exist with other initiatives and it does not crowd out the market. Here I mention the *Social Impact Investment Knowledge Hub* created by Treasury that is a great initiative that will support the EAX.

We started off thinking about doing this with the legal profession that already has a strong ethos and presence in pro bono. Lawyers can contribute to capacity building in areas like corporate and tax structures and arrangements, contracting, procurement, joint working arrangements and governance. We were confident that the EAX would deliver benefits to participating law firms, including delivering targeted resources to where they can deliver the best outcomes, having requests for pro bono work professionally triaged and scoped and developing new and enduring relationships with small, medium and emerging NGOs and social enterprises.

We dared to dream that one day this might be expanded to other professions to cover capacity building in the areas of finance, marketing and communications, IT and strategic planning.

So here we are, only 9 or so months later, ready to launch, with a very healthy and substantial war chest and with our dream realised through the participation of professions other than the law.

Applications for the EAX open today and this will be advertised through social sector peak bodies and other key partners. Applications will be received through the Office of Social Impact Investment (OSII) Knowledge Hub which also provides guidance on eligibility criteria

for the applicants from the social sector and the projects about which they require advice. There are 4 weeks for applications to be lodged and once they have all been received the OSII will do a review against the eligibility criteria and gather additional information as necessary.

The OSII will then make recommendations about the sort of advice required and the referral that should be made. An independent panel with representatives from the legal sector, non-legal sector participants and government will then review those recommendations. The panel's role is important to ensure the appropriate allocation of resources. The OSII will then make the referrals, liaising with the applicants and the providers of professional services to ensure connections are made and parameters for the advice are clear and agreed.

There is an element of experiment to all of this and we have quite deliberately used the expression "pilot". Here again the panel has a role in monitoring trends and informing the evolution of the EAX.

A next step we have already discussed is to make sure that the EAX can deliver capacity building in regional and rural NSW.

Success will depend on the NGO and social enterprise sectors wanting to take up the opportunity. That's why it is so pleasing to have Tracy from NCOSS with us today.