

# Market Briefing Wrap-Up:

## Aboriginal economic development

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26 June 2018

52 Martin Place Sydney

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

**Will a cultural capability framework be included as part of the program? As the SII will create demand in the sector, organisations will need to have the capacity to place a cultural lens across the program.**

Yes – OSII will include cultural capability in the evaluation criteria for proposals, and ensure it is a key part of the co-development stage. We will work with organisations to make sure this is done right.

**How will Indigenous data sovereignty be included? Data needs to reflect what the community sees as important.**

OSII is participating in conversations occurring in Canberra on Indigenous data sovereignty. This will be reflected in the SII process.

**How many projects will the \$10 million over four years fund?**

The funding envelope from the 2018-19 State Budget is for \$10 million over four years. However, this is not necessarily for one social impact investment. Depending on the quantity, quality and size of proposals received, the \$10 million could fund more than one proponent.

**Are you interested in co-investment from philanthropic or commercial investors?**

Yes – 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.

**What has been the progress of the current six investments?**

The six current investments are tracking well to make a positive impact to the lives of many in NSW. So far, Newpin has a cumulative restoration rate of 63% (260 additional children returned to their families), compared to the live counterfactual rate of 19.2%. The Resilient Families social benefit bond has seen 32% fewer children enter the out-of-home care system, or put another way, approximately 50% more children are removed from their birth parent or parents and put into care in the “business-as-usual” control group. With the remaining four investments, it is too early to provide statistics of their progress, however anecdotal evidence has been positive.

**Will benefits accrued to the federal government be measured?**

As it is a State government initiative, the focus will generally be on cost savings / benefits accruing to NSW. However, OSII is conscious of the wider benefits that can be attained, including to the Commonwealth. We are currently in conversations with the Commonwealth, and are actively engaging their input including the potential of accessing data to allow for a holistic picture of total savings.



**The Newpin social benefit bond is coming up to the end of its contract, what will its future look like?**  
OSII is looking at opportunities to mainstream the service.

**Does the \$10 million include the outcomes payment or cost of the service?**

The \$10 million is the outcomes payment. Government pays for the outcomes, and do not define how these outcomes are achieved.

**What formula is used to determine the payment for the outcome?**

This will be determined in the co-design process. OSII will work with proponents on the value of the outcomes to the community, the economic benefit and how much government will pay for the outcomes.

**Are there any lessons from early SIBS? Is a specific skill set necessary for organisations moving into SII?**

OSII has listened to the market and have made changes to the SII process based on these lessons learned. Essentially, the process has been made less complex, less resource-intensive, and more efficient for both sides. The new co-development approach is one example of these improvements. In terms of challenges for organisations, one issue has been placing a financial lens on social outcomes. This will be addressed in co-development, which will be a two-way learning experience.

**Is the focus on capacity building?**

The co-development approach will enable an element of capacity building for proponents, but the focus is to streamline the process and put effort into proposals that are viable for SII.

**How will OSII ensure Aboriginal organisations know about the regional sessions?**

OSII is working with its DPC regional offices to promote the regional market sounding sessions. It will also work with Aboriginal Affairs to utilise all networks including the Aboriginal Regional Alliances and the Aboriginal Land Councils.

**Does the Request for Proposals (RFP) require a lot of documentation?**

This new co-development approach will be a light touch version of the traditional RFP, with no more than a five-page submission required by proponents. More information will be available once the RFP is released.

**Will this SII look like an overlap with what is happening in the NSW Procurement space with Aboriginal businesses?**

Where there is duplicative reporting metrics, it is preferable to leverage existing reporting to not add any more administrative requirements. We do not want to duplicate services, but can harness mechanisms of other initiatives.

**Will the focus be on regional areas or extend to other areas?**

OSII is not restrictive on the location of the service. This will depend on the individual merits of the proposals. It is important to note that one of the benefits of SII is that there is no specificity in what the programs or services need to look like or where they should be located.

**Will new services/initiatives be considered?**

OSII is open to all new initiatives. Services that are exhaustively tried and tested would not benefit from the SII model.





### **What does the term innovation mean in the evaluation criteria?**

OSII views innovation as new approaches where the results are not yet known. These are services which have not been tested therefore we do not know what works already. This presents an incredible opportunity to learn from one another – we don't have all the answers yet.

### **Which line agencies will be involved with the proposals?**

OSII will be leading the investment, working closely with different agencies including Aboriginal Affairs NSW and the NSW Department of Industry.

