

Request for Proposals

Social impact investment in Aboriginal economic development

Proposals must be submitted on <https://tenders.nsw.gov.au/>
by 10:00am AEST on 28 September 2018

Proponents should refer requests for information or
advice regarding this RFP to:
socialimpactinvestment@dpc.nsw.gov.au

*Any information given to a proponent to clarify any
aspect of this RFP will also be given to all other
proponents if, in the opinion of the Office of Social
Impact Investment, it would be unfair not to do so.*

Contents

1.	Background	4
1.1	Policy context	4
1.2	Purpose of this document.....	7
2.	Conditions of submitting a proposal.....	8
2.1	Eligibility to respond.....	8
2.2	Process to develop and implement a transaction.....	8
2.1	Governance of the SII development process	11
3.	Submission requirements	13
3.1	SII Aboriginal economic development (AED) submission	13
3.2	Consent	14
4.	Evaluation	15
4.1	Evaluation criteria.....	15
5.	Legal requirements	16
5.1	Lodgment of proposals	16
5.2	Electronic proposals.....	16
5.3	Extension of closing date and closing time	17
5.4	Ownership of proposals	17
5.5	Confidentiality	17
5.6	Variations to proposals	18
5.7	Non-complying proposals.....	18
5.8	Acceptance or rejection of proposals	19
5.9	Communication/clarification	20
5.10	Ethical conduct	20
5.11	Probity	21
5.12	Exchange of information between NSW Government agencies	21
5.13	Disclosure information	22
5.14	Anti-competitive conduct.....	22
5.15	Anti-lobbying, improper interference and solicitation	22
5.16	Discretion of the state (NSW Government)	22
6.	Appendix: Aboriginal Economic Development.....	24
6.1	Overview	24
6.2	Outcomes	26

6.3 Locations	27
6.4 Principles for SII.....	31
6.5 Avoiding duplication with other programs and initiatives	33
6.6 Cohorts of interest.....	36
6.7 References	39
6.8 Other useful references.....	41

Contact officer details

Proponents should refer requests for information or advice regarding this RFP to:

Email address: socialimpactinvestment@dpc.nsw.gov.au

Any information given to a proponent to clarify any aspect of this RFP will also be given to all other proponents if, in the opinion of the Office of Social Impact Investment, it would be unfair not to do so.

1. Background

The NSW Government believes social impact investment has the capacity to deliver better:

- individual, family and community outcomes
- services, programs and innovation
- partnerships between the government and non-government sectors and the community
- greater evidence of what works and responsiveness to community concerns
- value for taxpayers.

We work in partnership to achieve better social outcomes for the people and communities of NSW, through social impact investment.

The Office of Social Impact Investment (OSII) is responsible for social impact investment (SII) in NSW and works closely with a range of NSW Government agencies to develop and support SII opportunities. OSII is proud to work with Aboriginal Affairs and the Department of Industry in the development of this SII opportunity.

1.1 Policy context

As part of the Social Impact Investment Policy, the NSW Government aims to deliver two investments to market each year

On 4 February 2015, the NSW Government launched its [Social Impact Investment Policy](#) ('the policy'). The policy builds on the success of the NSW Government's social benefit bonds and sets out the NSW Government's aim to support the broader social impact investment market in NSW, and across Australia. A key action in the policy is the intention to deliver two new social impact investments to the market each year.

The NSW Government has now delivered six social impact investments, and negotiations for a further SII is in progress

Since 2013, the NSW Government has delivered six social impact investments:

- the Newpin social benefit bond: expands an intensive, therapeutic support program delivered by Uniting to safely restore children in out-of-home care to their birth families
- the Benevolent Society social benefit bond: delivers the Resilient Families Service, which aims to prevent at-risk children from entering out-of-home care
- the On TRACC social impact investment: delivers intensive support programs to help parolees successfully reintegrate into the community, and reduce levels of re-offending
- the Resolve social benefit bond: to improve the wellbeing of mental health patients, including reducing their use of hospital services
- the Silver Chain social impact investment: provides specialist palliative support for patients in their home and/or community

- the Foyer51 social benefit bond: will support vulnerable young people who have exited out-of-home care to develop the skills to lead independent and fulfilling lives.

The NSW Government continues to develop other investments including one focused on vulnerable young people to reduce youth unemployment.

The Office of Social Impact Investment on behalf of the NSW Government is seeking social impact investment proposals

The NSW Government recognises that it cannot solve complex social issues alone. By supporting and harnessing innovations and resources from non-government sectors, we can deliver better outcomes for individuals and families in our community.

Four key attributes underpin the NSW Government's Social Impact Investment policy:

- **Outcomes:** measuring and paying for outcomes
- **Innovation:** removing input controls for services to allow service improvements in response to what works
- **Investment:** shifting spending away from high cost acute services to prevention
- **Partnerships:** collaborating, and sharing risks and benefits across government, non-government sectors and communities.

This RFP presents an opportunity to deliver outcomes-focused programs that enhance Aboriginal economic development

In 2017, the NSW Government endorsed a place-based investment opportunity, including in Aboriginal economic development as a priority for OSII.

Aboriginal economic development as a policy area has a strong case for SII as it aligns to the four key attributes of SII:

- **Outcomes:** SII will enable NSW Government to build an evidence base for future policy and service settings
- **Innovation:** Complex and significant challenges require new and creative policy solutions. SII is an opportunity to try, test and innovate with new approaches
- **Partnerships:** Clear evidence that success in Aboriginal affairs requires NSW Government to work with people and communities. SII involves genuine co-development and community-led implementation
- **Investment:** Compelling case to invest earlier and improve long-term social and economic outcomes. SII is a proven model for driving change in individual service trajectory.

As part of the 2018-19 NSW State Budget, \$10 million over four years was allocated to a SII specific to Aboriginal economic development.

OSII is committed to co-developing SII opportunities with Aboriginal communities

OSII recognises the importance of working in partnership with Aboriginal communities and proponents to develop these SII proposals. To enable this, this RFP includes a co-development phase to allow proposals to be tested, designed and progressed collaboratively with key stakeholders.

This process will be used to ensure the proposal and program is developed with the communities and individuals impacted by the proposal.

OSII provides a range of services to support proponents prior to submitting an SII proposal

OSII provides engagement opportunities and support for potential proponents. This includes:

- hosting capacity-building workshops
- holding market briefings
- meeting with potential proponents to provide general advice on the SII opportunity
- providing and maintaining an online resource library
- launching online modules.

These resources will support proponents to develop capacity for SII and in preparing their responses to the RFP. Market briefing and engagement opportunities will be communicated through OSII's mailing list and website. Sign up to the mailing list [here](#) or visit our [website](#).

Proposals in areas outside of Aboriginal economic development can be developed as part of SII Evolve

This RFP will be limited to ideas supporting Aboriginal economic development in NSW. In response to market feedback, OSII is re-designing how SII ideas in other policy and service areas are considered. A new initiative – SII Evolve – will be trialled in 2018 and enable proponents and the NSW Government to co-develop SII ideas in a range of policy areas while building capacity for impact investment. Further information on SII Evolve will be provided closer to the launch date.

OSII seeks to deliver a range of social investment models in NSW

It is important to note that social impact investments are not limited to social benefit bonds. To date, we have delivered three social benefit bonds, and two payment by results arrangements.

The NSW Government encourages proposals for various investment models that involve risk sharing among participants. While NSW Government payments must be linked to the achievement of outcomes, we note there are a range of complementary funding models and approaches such as social enterprise and philanthropy. In addition to social benefit bonds and payment by results contracts, we are also open to:

- incentive payments
- layered investments
- pooled investments.

Refer to the [policy](#) for further details on a range of models.

1.2 Purpose of this document

The purpose of this document is to:

- outline the background to the RFP
- define the terms, conditions and processes for submitting a proposal
- explain the anticipated process and timeframe for evaluating proposals and selecting preferred proponent(s) to proceed to the co-development and joint development phases
- inform proponents on what should be included in proposals
- provide information and data on Aboriginal economic development to support proposals.

2. Conditions of submitting a proposal

2.1 Eligibility to respond

Proposals must be submitted by a legal entity (or entities in the case of a joint proposal or consortia) with the capacity to contract. Where there is a joint proposal, references to a proponent or preferred proponent should include all parties to the proposal.

The NSW Government will only enter into an agreement with an entity that has an Australian Business Number (ABN) and is registered for GST. Proponents must state their ABN and GST status in their proposals.

A proponent may submit more than one proposal, and each proposal will be considered independently. Intermediaries and consultants are permitted to be party to more than one proposal, provided there are adequate processes in place to manage conflicts of interest.

2.2 Process to develop and implement a transaction

The process for co-developing and implementing a social impact investment with the NSW Government is set out below and will involve a number of stages. Indicative timings are outlined below. These are included to support proponent understanding of process timeframe but should be treated as a guide only. The speed at which successful proposals progress through these stages will be guided by a number of factors, including community engagement and available resources.

Stage 1: Initial concept review stage

Objective: proponents lodge their proposals by way of submission and the NSW Government conducts assessments to shortlist proposals.

The proponent's role:

- Submit 5-page proposal in accordance with the submission requirements and the evaluation criteria
- Respond to any requests for further information by way of explanation or clarification of Proposal.

The NSW Government's role:

- Through OSII and relevant government agencies, conducts initial assessment of proposals against evaluation criteria
- Notifies outcome of assessments to all proponents
- Provides feedback to unsuccessful proponents
- Contacts proponents during the assessment process to clarify elements of proposals and/or seek further information by way of explanation or clarification.

Timing: ~4 weeks

Outcomes: Proponents will either be:

- successful and progressed to stage 2
- unsuccessful, with NSW Government, through OSII, providing feedback (written and/or in person) and potentially offering to refer the proponent to alternate contracting pathways.

Stage 2: Co-development of proposal

Objective: proponents enter co-development sessions.

The proponent's role:

- Participate in regular workshops to develop proposal including referrals, service, and financial model
- Enter into a co-development agreement with the NSW Government, through its relevant agency, which will outline the scope of the co-development process and address any issues around confidential, intellectual property or related matters.

The NSW Government's role:

- Through OSII, facilitates co-development sessions with proponents and relevant NSW Government agencies to develop proposals
- Enables opportunities for proponents to connect with external intermediaries or advisors to obtain legal, financial, technical or other advice
- Provides continuous feedback to proponents on any risks or concerns, and guidance on SII requirements.

Timing: ~2 – 3 months

Outcomes: A detailed proposal is developed from the co-development sessions ready for formal evaluation.

Stage 3: Evaluation of detailed proposal

Objective: detailed proposal/s are evaluated to determine if to proceed to the joint development phase.

The proponent's role:

- Document detailed proposal and provide such clarification and information as may be required to enable evaluation of the detailed proposal
- Present proposal to cross-agency evaluation panel (the panel).

The NSW Government's role:

- Through OSII, arranges for the SII Steering Committee to establish the panel to undertake assessment of the detailed proposal based on evaluation criteria and determine recommendation
- Through OSII, prepares papers and submits recommendation from panel to Steering Committee.

Timing: ~1 month

Outcomes: The detailed proposal is determined by Steering Committee as either being:

- Suitable and the proponent/s is invited to enter into a JDP with the NSW Government, through its relevant agency
- Not suitable to progress further and feedback is provided with available next steps/pathways.

Stage 4: Joint Development Phase

Objective: Detailed proposal refined to a level suitable for contracting and to proceed to implementation.

The proponent's role:

- Enters into a Joint Development Phase agreement with the NSW Government, addressing matters such as negotiation, intellectual property and dispute resolution. The [sample JDP agreement](#) is available on the OSII website and should be considered by proponents before submitting a proposal
- Collaborates with the development of an investment structure
- Negotiates terms and conditions of the Implementation Agreement
- Meets any costs losses or expenses incurred by proponents during the processes, including but not limited to expenses incurred by the proponent in preparing and submitting its proposal(s), attending meetings and providing further information, or engaging advisors.

The NSW Government's role:

- Through OSII, leads Joint Development Phase to refine detailed proposal
- Through OSII, collaborates in the development of an investment structure
- Through OSII and the relevant NSW Government agency, negotiates the terms and conditions of the Implementation Agreement
- Through OSII, evaluate the final proposal against the evaluation criteria of the RFP and recommend to the Steering Committee whether to proceed with implementation, including execution of the Implementation Agreement as negotiated
- Through OSII, if approved by the Steering Committee, seeks authorisation from Treasurer and/or relevant Minister to proceed to implementation, including execution of the Implementation Agreement as negotiated.

Timing: ~3 - 6 months

Outcome: An Implementation Agreement is entered into between proponent and NSW Government, through its relevant agency.

Implementation Agreement

The terms and conditions of the Implementation Agreement will be negotiated with the preferred proponent as part of the JDP. The Implementation Agreement is expected to include:

- details of the target cohort, including location and referral arrangements
- contract duration and any extension provisions
- ownership of intellectual property from the transaction
- details of targets, comparison groups if appropriate, and other measurement arrangements
- payment triggers
- a payment schedule covering performance scenarios (expected, below expected, good performance and over-performance)
- allocation of risk between parties to the investment
- dispute resolution provisions including a mechanism to resolve client issues
- break clauses for all parties
- any options for re-contracting at the conclusion of the contract term
- details of any evaluation.

The relevant NSW Government agency will enter into the Implementation Agreement with the preferred proponent if the proposal is approved by the Treasurer and/or relevant Minister. A sample JDP Agreement and Implementation Agreement, along with other sample legal documents that may be needed for social impact investments with the NSW Government, are available on the [Office of Social Impact Investment website](#). The NSW Government envisages that any negotiation in relation to the terms of these documents will be limited.

Note: Selection as a preferred proponent through the RFP process to progress through the co-development and JDP stages is not a guarantee of proceeding to an Implementation Agreement.

The likely social impact and value for money of proposed investments will be crucial in determining whether to proceed with implementation. Proposals must represent an effective use of public funds, relative to other non-social impact investment funding options available to the NSW Government for the same improvement in outcomes.

2.1 Governance of the SII development process

The proposal process will be overseen by a Steering Committee of senior officers from the Department of Premier and Cabinet, the NSW Treasury, Aboriginal Affairs NSW and other relevant

NSW Government agencies ('line agencies').

The Steering Committee will appoint the evaluation panel to assess detailed proposals developed through the co-development phase. The panel will assess the detailed proposals against the evaluation criteria set out in this document (Refer to Section 4). During the assessment process, the panel may ask proponents to clarify aspects of their proposal or provide more information. The panel may also contact other government agencies to verify a proponent's capability (i.e. reference checks).

The panel will then submit an evaluation report to the Steering Committee, which may recommend that one or more proposals should proceed to a joint development phase. Subject to the progress of the joint development phase, the Steering Committee may then recommend to the Treasurer and/or relevant Minister that the NSW Government, through its relevant agency, enter into an Implementation Agreement with one or more proponents.

3. Submission requirements

3.1 SII Aboriginal economic development (AED) submission

Proposals must respond to the following submission questions in **5 A4 pages or less**. The minimum font size is 11. The recommended font type is Arial and line spacing is single.

Organisation name:		Business address:	
ABN:			
Legal entity:		Type of organisation:	<i>GST status of the organisation</i>
Contact person(s):	<i>Nominated contact person for the proposal</i>	Date of submission:	
1. What aspects of economic development do you seek to address?			
<i>Supporting questions/guidance:</i>			
<ul style="list-style-type: none"> Describe the current state of the issue that is the focus of your idea. Who is the target cohort? What aspects of economic development are you targeting? 			
<i>Evaluation criteria:</i> social impact			
2. How do you think you can address it?			
<i>Supporting questions/guidance:</i>			
<ul style="list-style-type: none"> What does the evidence say is the best way to respond to the issue? What is the proposed service to be delivered? What activities or supports will you provide? How will the service recipients be referred to the program? How many people could be supported over the life of the investment? What skills/experience does your organisation bring to successfully deliver this proposal? 			
<i>Evaluation criteria:</i> innovative service delivery model; team and capability			
3. Who can help you with your idea?			
<i>Supporting questions/guidance:</i>			
<ul style="list-style-type: none"> How does the proposed program differ from existing services or fill existing service gaps? What services/partnerships are pre-existing and what will be developed as part of this proposal? Which Government departments (local, state and commonwealth) should be involved? 			
<i>Evaluation criteria:</i> team and capability; additionality and potential to scale			
4. How will the Aboriginal community be engaged?			
<i>Supporting questions/guidance:</i>			
<ul style="list-style-type: none"> To what extent have/will Aboriginal community members be engaged in the development and implementation of the program? For example, as service clients, project managers, decision makers 			

- How have / will you engage with Aboriginal community members?
- How have / will you develop the appropriate level of cultural capability to effectively engage with the Aboriginal community?

Evaluation criteria: community engagement; inclusion of existing Aboriginal community governance mechanisms; ethics clearance

5. What are the intended outcomes?

Supporting questions/guidance:

- What economic development outcomes does your proposal seek to achieve?
- What level of change in outcomes do you anticipate achieving?
- What evidence is available to support your outcomes targets?
- What other secondary outcomes and broader economic benefits would your proposal achieve?
- How has the voice of the Aboriginal community being captured in your intended outcomes?

Evaluation criteria: social impact; value creation for citizens

6. When and where can it happen?

Supporting questions/guidance:

- What are the preferred location(s)/region(s) where the program will be in operation?
- What are the likely costs and expenses that will be required to implement the proposal?
- What is the expected timeframe for the proposed service?
- If successful as an SII, how could the proposal be scaled in NSW?

Evaluation criteria: innovative service delivery model; additionality and potential to scale

3.2 Consent

The philanthropic community has expressed interest in proposals that align with their funding objectives. This includes proposals that are being progressed to the co-development phase and proposals that are not being progressed. Where consent has been provided, OSII will work with Philanthropy Australia to consider potential engagement opportunities with relevant Philanthropy Australia members, where potential funding/partnership opportunities may be explored.

Include in your proposal if you consent to OSII providing your contact details and / or RFP documentation to Philanthropy Australia for this purpose.

Philanthropy Australia's membership consists of approximately 800 trusts, foundations, organisations, families, individual donors, professional advisers, intermediaries and not-for-profit organisations.

4. Evaluation

4.1 Evaluation criteria

Proposals will be assessed against the evaluation criteria listed below.

Criteria	Description	Submission questions	Weighting
Social impact	The proposed service must aim to deliver measurable Aboriginal economic development outcomes. Proposals need to be clear about what it is trying to achieve, specifically what are the changes, (i.e. the social outcomes) that are desired for the participants and how the proposed service will lead to that change.	1,5	20%
Innovative service delivery model	A unique approach to service delivery or product design that can deliver quality outcomes. This may include the use of behavioural insights, a mix of support services, or data-driven decision-making.	2,6	20%
Team, cultural capability and engagement	A strong team or partnership with the knowledge, skills, systems, behaviours and experience required to successfully engage with Aboriginal communities and deliver the proposed service and outcomes in a culturally respectful and appropriate manner.	2,3,4	20%
Value creation for NSW	The proposal will deliver social and/or economic value. Proposals should outline the quantitative and qualitative benefits for project participants and end users, including evidence to support these claims.	5	20%
Additionality and potential to scale	The service addresses an unmet need or targets those not currently accessing services. Proposals should outline any plans to partner with existing local services to maximise effectiveness and minimise duplication, as well as clearly identify the opportunities for the service to be scaled up or replicated across the public sector.	3,6	20%

5. Legal requirements

5.1 Lodgment of proposals

Proposals (including all supporting information, if any) must be fully received by 10:00am AEST on 28 September 2018.

Late proposals will not be considered except where OSII is satisfied that the integrity and competitiveness of the RFP process has not been compromised. OSII will not penalise any proponents whose proposal is received late if the delay is due solely to mishandling by the NSW Government.

5.2 Electronic proposals

All proposals must be submitted electronically on <https://tenders.nsw.gov.au> and will be treated in accordance with the *Electronic Transactions Act 2000* (NSW).

A proponent, by electronically lodging their proposal, is taken to have accepted the conditions shown in the conditions and rules on the Department of Finance, Services and Innovation (DFSI) tenders website at <https://tenders.nsw.gov.au>, and to have accepted the conditions set out in this RFP document.

Signatures are not required but the proponent must ensure that a proposal is authorised by the person or persons who may do so on behalf of the proponent, appropriately identifies the person, and indicates the person's approval of the information communicated.

Electronically submitted proposals may be made corrupt or incomplete, for example, by computer viruses. The NSW Government may decline to consider for acceptance a proposal that cannot be effectively evaluated because it is incomplete or corrupt. Proponents must note that:

- To reduce the likelihood of viruses, proposals should not include any macros, applets, or executable code or files.
- Electronically submitted files should be free from viruses and should be checked using an up to date virus-checking program before submission.

The NSW Government will not be responsible in any way for any loss, damage or corruption of electronically submitted proposals.

If a proponent experiences any persistent difficulty with the DFSI tenders website in submitting a proposal or otherwise, they are encouraged to advise the OSII promptly by email to socialimpactinvestment@dpc.nsw.gov.au.

Proponents may break down the lodgment of large proposals into smaller packages if clearly identified (e.g. Package 1 of 3) and must provide clear directions as to whether the lodgment is:

- supporting information
- a further part of the proposal that has previously been lodged.

5.3 Extension of closing date and closing time

The NSW Government may, in its absolute discretion, extend the closing date and closing time of this RFP.

If there is an extended defect or failure of the DFSI tenders website or e-Tendering system and the NSW Government is advised as indicated above, the closing date and closing time may be extended if the NSW Government is satisfied that the RFP process will not be compromised by such an extension.

5.4 Ownership of proposals

All proposals become the property of the NSW Government on submission. The NSW Government may make copies of the proposals for any purpose related to this RFP.

5.5 Confidentiality

Any information received by the proponent in connection with the RFP, in whatever form it is received, is confidential to the state of NSW and/or of its relevant agencies. The proponent and its personnel must not use or disclose to any person such information, in whole or in part, except to the minimum extent necessary for the purposes of preparing its proposal and, if successful, subsequently developing its proposal. The proponent may disclose such information to a bona fide independent consultant retained by the proponent for the purposes of preparing or submitting their proposal.

Without limitation, the proponent will not in any way publicise that they propose to submit or that they have submitted a proposal or the content of any proposed or submitted proposal in response to this RFP. The proponent and their personnel must not at any stage make any public statement or in any way disclose information about the RFP process or any aspect of that process, including selection for entry into any co-development phase, JDP or Implementation Agreement under this RFP, to any person without the express written permission of the NSW Government.

The restrictions under the above paragraphs do not apply to the extent that:

- the information is generally available to the public (other than as a result of the wrongful disclosure by the proponent)
- the information is required to be disclosed by any law or under the lawful compulsion of any court, tribunal, authority or regulatory body.

Failure to comply with these confidentiality requirements may be taken into account by the NSW Government when considering the proponent's proposal and may result in the proposal being passed over.

5.6 Variations to proposals

At any time after the closing date and closing time, and before the NSW Government accepts any proposal for entry to the co-development phase, a proponent may vary its proposal:

- by providing the NSW Government with further information by way of explanation or clarification but not by way of introducing new information, as noted below
- by correcting a mistake or anomaly
- by documenting agreed changes negotiated.

The above and following will apply again in Stage 3 (See section 2.2) after a proposal is presented to the Steering Committee and before the NSW Government accepts any proposal for entry into the JDP phase.

Such variations may be made either at the request of the NSW Government or with the consent of the NSW Government at the request of the proponent, but only if:

- in the case of a variation requested by the proponent to provide information by way of explanation or clarification or to correct a mistake or anomaly, it appears to the NSW Government reasonable in the circumstances to allow the proponent to provide the information or correct the mistake or anomaly
- in the case of a variation to document agreed changes negotiated, the NSW Government has confirmed that the draft documented changes reflect what has been agreed.

If a proposal is varied in accordance with the above provisions, the NSW Government will provide all other proponents whose proposals have similar characteristics with the opportunity to vary their proposals in a similar way.

The NSW Government may refuse a request to vary a proposal. Variations will not be permitted if the NSW Government is satisfied that:

- it would substantially alter the original proposal and would give a proponent an unfair advantage over other proponents
- in the case of a variation requested by the proponent to provide information by way of explanation or clarification or to correct a mistake or anomaly, it would result in the revising or expanding of a proposal in a way that would give the proponent an unfair advantage over the other proponents.

5.7 Non-complying proposals

A proposal that does not address the requirements of Section 3 (Submission requirements) above may be considered non-compliant. Before making any determination as to acceptance or rejection of a proposal, the OSII (in its role as compliance assessors) may, provided it is satisfied that the integrity and competitiveness of the RFP process has not been compromised, give a proponent of a non-complying proposal the opportunity to rectify any non-compliance.

5.8 Acceptance or rejection of proposals

It is not intended by the NSW Government, and the proponent should not consider, that the issuing of this RFP or a submission of a proposal to it commits, obligates or otherwise creates a legal relationship in respect of entry into a contract with the proponent.

The NSW Government is not bound to select any proposal for participation in the co-development phase, the JDP or for implementation. If the NSW Government rejects all proposals received, it may invite fresh proposals based on the same or different criteria.

Selection of a proposal for participation in the co-development phase will be subject to the issue of a letter of selection to the proponent and entry into a co-development agreement. If successful in proceeding to the next stage, selection of a detailed proposal for participation in the JDP will be subject to the issue of a letter of selection to the preferred proponent and entry into a JDP agreement. Neither entry into a co-development agreement, and if successful, into a JDP agreement must be construed as an indication or representation to the proponent by the NSW Government that the proponent will be selected as a successful proponent and that an Implementation Agreement will be entered into with the proponent to give effect to the social impact investment proposed.

The NSW Government will not, in any circumstances, be responsible for any costs incurred by a proponent arising out of or in connection with the RFP including without limitation:

- in preparing and submitting a proposal
- participating in the co-development phase and if successful in the JDP (including negotiating the terms of the Implementation Agreement)
- not being selected as a successful proponent
- discontinuance of this RFP.

5.9 Communication/clarification

The NSW Government acknowledges that information gaps may exist, and further information may be required by proponents to develop proposals in response to this RFP. The NSW Government may be able to provide additional information in response to queries about specific proposals. Any such queries should be directed to the OSII by email to socialimpactinvestment@dpc.nsw.gov.au. Requests for additional information must be received before 5pm AEST on 14 September 2018.

Information the OSII can and cannot provide is listed below:

We can:	We can't:
<ul style="list-style-type: none"> provide general information about social impact investing 	<ul style="list-style-type: none"> develop and implement proposals outside a formal RFP process
<ul style="list-style-type: none"> provide general information on NSW Government activity and priorities in social impact investing 	<ul style="list-style-type: none"> give detailed advice or feedback on proposals prior to or during a formal RFP process
<ul style="list-style-type: none"> provide information on RFP processes, timing and requirements 	<ul style="list-style-type: none"> advocate or promote potential proponents or their proposals to other government agencies and market participants.
<ul style="list-style-type: none"> facilitate contact with other NSW Government agencies and market participants 	
<ul style="list-style-type: none"> consider and facilitate information and data requests. 	

Any additional information made available in response to a request will also be distributed to all persons who have registered an interest in the RFP (via the DFSI tenders website) and posted at <https://tenders.nsw.gov.au/> for access by all interested parties.

If a question is not of a general nature, but relates to proprietary aspects of a proposal, proponents must identify the question(s) as such. If, in the opinion of the NSW Government, the question is not proprietary in nature, the relevant proponent will be advised and will have the option to withdraw the question(s). If the proponent continues to request a response, the question(s) and the response may be circulated to all recipients of this RFP.

5.10 Ethical conduct

A proponent's proposal may not be considered further if a proponent or any of its officers, employees, agents or subcontractors is found to have:

- offered an inducement or reward to any public servant or employee, agent or subcontractor of the NSW Government in connection with this RFP or the submitted proposal
- committed "corrupt conduct" within the meaning of the Independent Commission Against

Corruption Act 1998 (NSW)

- a record or alleged record of unethical behaviour, or not complied with the requirements of the Business Ethics Statement referred to above.

The NSW Government may, but is not required to, invite a relevant proponent to provide written comments within a specified timeframe before the NSW Government excludes the proponent and its proposal on this basis.

Proponents must disclose any conflicts of interests in their proposal.

5.11 Probity

The NSW Government has engaged a probity adviser for the duration of the RFP process.

The probity adviser is not a member of the evaluation panel but an independent observer of the evaluation process. The probity adviser will not be involved in the evaluation of any proposals.

Proponents who have any concerns about the conduct or probity of the RFP process should, notwithstanding any other restrictions contained in this document, promptly bring their concerns to the attention of the probity adviser.

The probity advisor's contact details are:

Michael Shatter
RSM Australia
Phone: (03) 9286 8166
Mobile: 0409 808 639
Email: michael.shatter@rsm.com.au

5.12 Exchange of information between NSW Government agencies

By lodging a proposal, the proponent will authorise the NSW Government to make information available, on request, to any NSW Government agency. This includes information dealing with the proponent's performance on any prior contract that has been awarded. Such information may be used by the recipient NSW Government agency for assessment of the suitability of the proponent for pre-qualification, selective tender lists, expressions of interest or the award of a contract.

The provision of the information by the OSII to any other NSW Government agency is agreed by the proponent to be a communication falling within section 30 of the *Defamation Act 2005 (NSW)*, and the proponent shall have no claim against the OSII and the state of New South Wales in respect of any matter arising out of the provision or receipt of such information, including any claim for loss to the proponent arising out of the communication.

5.13 Disclosure information

Following the NSW Government's decision, the proponent will be notified in writing of the outcome of their proposal. Details of this proposal and the outcome of the RFP process will be disclosed in accordance with the [Government Information \(Public Access\) Act 2009](#) and the [Premier's Memorandum 2007-01](#) which requires proactive disclosure of information, including information relating to procurement.

5.14 Anti-competitive conduct

Proponents and their representatives must not engage in any anti-competitive conduct or any other similar conduct with any other person in relation to their participation in the tendering process. Any breaches of these requirements may result in a proponent being removed from the RFP process.

5.15 Anti-lobbying, improper interference and solicitation

Proponents and their representatives are prohibited from engaging directly or indirectly in lobbying, improper interference or solicitation of the NSW Government, including but not limited to Ministers, and their advisers, Members of Parliament, public servants and department representatives and NSW Government's advisers with respect to any aspect relating to the proposal process or any activities which are likely to give rise to the perception that they have engaged in lobbying, improper interference or solicitation of the NSW Government or its advisers. Any breaches of these requirements may result in a proponent being removed from the RFP process.

5.16 Discretion of the state (NSW Government)

The state reserves the right at any time and on any grounds to:

- amend the RFP documents
- accept or agree to variation or amendments to a proposal
- re-advertise for new proposals
- terminate at any time further participation in the process by any or all proponents
- amend or terminate the proposal and/or JDP process
- extend the closing date for RFP proposals
- extend the closing date for clarification questions
- require additional information, clarification or further offers from any proponent
- invite one or more proponents for an interview as required
- elect not to select any proponent to proceed to the co-development phase and/or joint development phase
- withdraw the formal RFP process
- take such other action as it considers, in its absolute discretion, appropriate in relation to the tendering process.

The state may, at any time following receipt of proposals, request one or more of the proponents to supply any further information or clarification concerning a proposal which the state considers necessary or desirable.

The state reserves the right to seek clarification, verification and additional information concerning the proposal or the proponent from third parties and the proponent authorises the state to do so.

6. Appendix: Aboriginal Economic Development

Development is impossible without expanding individual choice, responsibility and capability. The practical implications of this are that all policies and programs must support efforts to build capability, self-reliance, aspiration and opportunity, and increased choice.

(Empowered Communities 2015, 15)

6.1 Overview

Context

The NSW Government is committed to maximising the potential of Aboriginal people to enhance their capacity, wellbeing and quality of life. This is an important aspect of Opportunity Choice Healing Responsibility Empowerment (OCHRE), the primary policy designed to support strong Aboriginal communities in which Aboriginal people can actively influence and fully participate in social, economic and cultural life.

In the 2018-19 Budget, the NSW Government announced \$10 million funding over four years for social impact investment (SII) in Aboriginal economic development. Focusing on Aboriginal economic development requires investing in services that deliver greater Aboriginal empowerment. Importantly, this opportunity looks to adopt a strengths-based approach to invest in social opportunities. While aspects of this document demonstrate the current gaps in economic outcomes, the NSW Government is seeking SII proposals that focus on community strengths and positive opportunities.

Aboriginal economic development is a multifaceted issue and dependent on individual and community circumstances. It encompasses socio-economic indicators such as employment, education and income, but also includes broader concepts from Aboriginal perspectives such as livelihoods, empowerment, self-sufficiency and individual and collective wellbeing (Aboriginal Affairs 2017b).

Fundamentally, the NSW Government's approach to Aboriginal economic development is that it is a social process in which Aboriginal people can determine their own economic future. This is consistent with OCHRE and a range of existing NSW Government programs, including Local Decision Making, designed to ensure Aboriginal people in NSW are empowered and make the decisions that impact their communities.

Case for SII

New South Wales is home to the largest Aboriginal population, with more than 216,000 people of Aboriginal and Torres Strait Islander origin (ABS 2016d). More than ever, Aboriginal communities are flourishing in many aspects of social, economic and cultural life, with the rate of Aboriginal people completing high school, going to university, working in senior roles, and starting a business growing (SCRGSP 2016).

However, there is still progress to be made. For instance, meaningful change has not been made for intergenerational and long-term unemployment in Aboriginal communities. In 2016, the unemployment rate in NSW for Aboriginal people was 15% compared to 6% for non-Aboriginal people, with unemployment amongst Aboriginal people highest for young people aged 18-24 at 24% (ABS 2016d).

Further, rates of year-12 completion for those over 15 years is 28% for Aboriginal and Torres Strait

Islander students, lower than the non-Aboriginal rates of 56% (ABS 2016d). Indigenous youth are also over three times less likely to be at university, with only 6.7% of Aboriginal and Torres Strait Island people holding a Bachelor Degree or above, compared to 25.3% of non-Indigenous people (Angus 2018).

Co-development

OSII is committed to co-developing SII proposals with Aboriginal service providers and communities. The NSW Government is interested in social impact investment proposals that improve outcomes for Aboriginal communities by doing things differently. Social impact investment is a different approach to designing and delivering programs. It brings together the evidence and experience of both government and communities, as well as focusing on prevention, early intervention and more client-centred approaches.

Aboriginal viewpoints need to be integral to all steps of service design, delivery and evaluation. The information included in this appendix is to provide information on the focus area of Aboriginal economic development to support the development of proposals. The NSW Government is committed on working with Aboriginal service providers and communities to develop the focus area as well as targeted outcomes.

Social and cultural case

Investments in Aboriginal economic development offers a range of benefits to local communities and NSW. The benefits of economic prosperity have been linked to broader health, wellbeing and social benefits. Local economic development opportunities that enable Aboriginal Australians to participate in the economy while maintaining their connection to country and land is an important cultural consideration in this opportunity.

Forging greater economic links between Aboriginal and non-Indigenous organisations is also valuable. Aboriginal people are part of the oldest continuing culture in human history. Non-Indigenous Australians have much to learn from their experience and culture. Forging partnerships through this SII offers benefits to providers, government, intermediaries and communities more broadly.

Economic case

An Aboriginal economic development SII is a strengths-based approach. The aim is to support innovative initiatives that deliver improved outcomes and increased capabilities across the sector. The SII aims to deliver long term benefits to government by transitioning people into employment, business ownership and a more secure and prosperous future.

There are cost savings to be experienced across government in the form of reduced reliance and consumption of government support services. The Productivity Commission's 2017 Indigenous Expenditure Report estimated that the direct expenditure per person was \$44 886 for Aboriginal and Torres Strait Islander Australians, around twice the rate for non-Indigenous Australians (\$22 356). The higher per person expenditure was attributed to greater intensity service use due to greater needs and a higher cost of providing services due to factors such as location of targeted services (SCRGSP 2017).

These findings indicate that there are cost savings to be made where a cross-agency approach is applied to address factors contributing to Aboriginal economic disadvantage, such as educational attainment, training and skills levels, market opportunities and job retention, health, and interactions with the criminal justice system.

In addition, Deloitte Access Economics, in their 2014 report *Economic Benefits of Closing the Gap in Indigenous Employment Outcomes*, estimated the Australian economy would be more than 1.15% larger in real terms than that would otherwise be the case – a gain of approximately \$24 billion, as a direct result of closing the gap. The report noted that the effect in NSW is largest, increasing by \$7.4 billion and accounting for 31% of the national increase (Deloitte 2014).

6.2 Outcomes

Measuring impact is at the heart of social impact investment. Just as financial investments are often measured by their dollar return, social impact investments require a 'metric' for investors and the government to see social impact.

SII Outcomes and Metrics

Social impact investment proposals should focus on achieving primary outcomes that enable economic development. This includes targeting employment (sustainable jobs), building individual capacity (education and skills) and economic opportunity (demand for Aboriginal employees and development of the Aboriginal business sector).

Potential metrics that could be used to measure and pay for these outcomes include:

- sustained employment
- increase in Aboriginal entrepreneurship / business ownership
- for established businesses – increase in the number of Aboriginal employees
- completion of recognised vocational or job-readiness training.

These metrics reflect that economic participation, through fulfilling and sustained employment, underpins economic development. Importantly, the metrics acknowledge that economic opportunity needs to exist to truly achieve economic development and one of the most effective means to stimulating this is entrepreneurship.

These are suggested metrics only. Others may be more appropriate. For example, home ownership might be an indicator of improved economic participation and wealth creation. The co-design process will determine the correct metrics.

The NSW Government acknowledges that wider social outcomes can act as enabling factors to support the achievement of education, employment and economic opportunity outcomes. This includes in areas of health, safety and housing.

The NSW Government is open to alternative primary outcomes and/or the inclusion of secondary outcomes. However, it is important that there are robust and reliable data sources available for assessing progress against the metrics and that due consideration of need for clarity and simplicity in payment triggers occurs. Proposals should consider the link to the stated priority of Aboriginal economic development

Any final decisions around outcomes and metrics will be decided through the co-development process.

Aboriginal Economic Prosperity Outcomes Framework

The proposed outcomes and metrics have been informed by the work underway to develop an Aboriginal Economic Prosperity Outcomes Framework (AEPOF). The initial framework leverages the Human Services Outcome Framework, OCHRE and academic research into Aboriginal economic prosperity.

The initial outcome domains are noted below with their working definition:

- Economic – First people in NSW are able to contribute to, and benefit from, the economy.
- Empowerment - First people and communities in NSW are able to drive decision making that affects them and live fulfilling lives.
- Safety – First people in NSW are able to be safe.
- Health – First people in NSW are able to live a healthy life.
- Education – First people in NSW are able to learn, contribute and achieve.
- Social and Community - First people in NSW are able to participate and feel culturally and socially connected, accepted and valued.
- Home – First people in NSW have choice of safe and affordable accommodation which facilitates opportunity and belong.

The framework will evolve further in response to feedback from Aboriginal communities and other key stakeholders. It will be used to facilitate further co-design around outcomes and metrics for this social impact investment opportunity.

SII Measurement

It is important to be able to obtain a reliable estimate of the counterfactual (i.e. an estimate of what would have happened in the absence of the program or service). Potential counterfactual designs include a stepped wedge design, historical baseline or other control approaches.

The [Technical Guide for Outcomes Measurement](#) provides further information, other options and guidance on choosing an appropriate counterfactual design.

Any final decisions around counter-factual measurement will be decided through an extensive co-development process.

6.3 Locations

Opportunities for Aboriginal economic development exists all over NSW. Accordingly, OSII is open to considering proposals and service ideas in different areas across the state which support a range of demographics and cohorts. It is important however that proposals consider the case for SII in a proposed area and accounts for the level of economic advantage or opportunities by location.

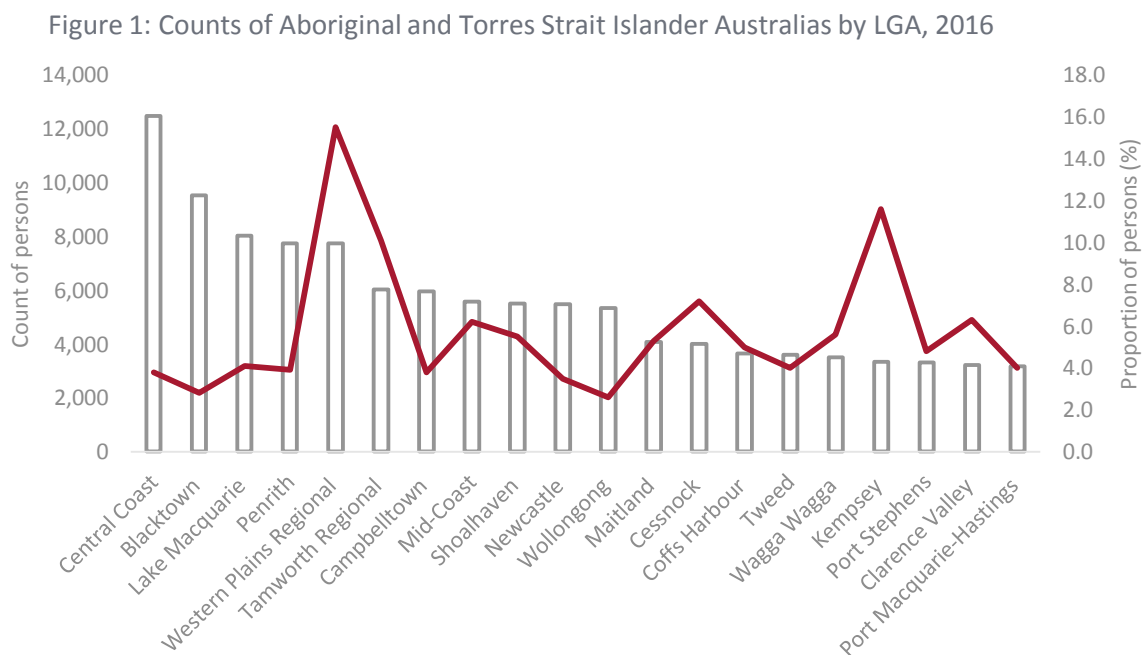
The information below outlines potential areas where the greatest impact can be made, specifically those with higher Aboriginal populations, greater level of disadvantage, higher rates of unemployment, and greater business opportunity. Generally, the Central Coast, Blacktown, Far West and Orana, New England and North West, the Mid North Coast and, Lake Macquarie and Newcastle commonly appear as areas of potential for employment and business outcomes. It is important to note that 4 out of 5 Aboriginal people in NSW live in cities or major regional centres.

Specific locational opportunities and constraints also vary across the state. For instance, regional and remote areas may have fewer employment opportunities, with the Aboriginal unemployment rate in Regional NSW being 18.1% and a participation rate of 50.3% compared to 59.3% in greater Sydney (Angus 2018). However, some metropolitan areas may have significantly higher costs, including for people attempting to establish and maintain a business. The diversity of regions across NSW require a localised approach to driving economic development, taking local strengths into account alongside economic circumstances.

Population

Social impact investment proposals should focus on addressing Aboriginal economic development in specific NSW locations. It is expected that proponents would target regions with sizeable Aboriginal populations, prioritised by the relative level of disadvantage experienced by Aboriginal people in that region.

At the 2016 Census, the Central Coast Local Government Area (LGA) had the largest population of Aboriginal people (12,485) in NSW (ABS 2016a). Other LGAs in NSW with significant Aboriginal populations are illustrated in Figure 1 below, and include Blacktown (9,526), Lake Macquarie (8,032), Penrith (7,741), Western Plains (7,739), Tamworth (6,031) and Campbelltown (5,971). In terms of proportion of LGA populations, 61.2% of the population of Brewarrina identify as Aboriginal and/or Torres Strait Islander, followed by Central Darling (39.5%), Bourke (31.5%), Coonamble (30.1%) and Walgett (29.4%).

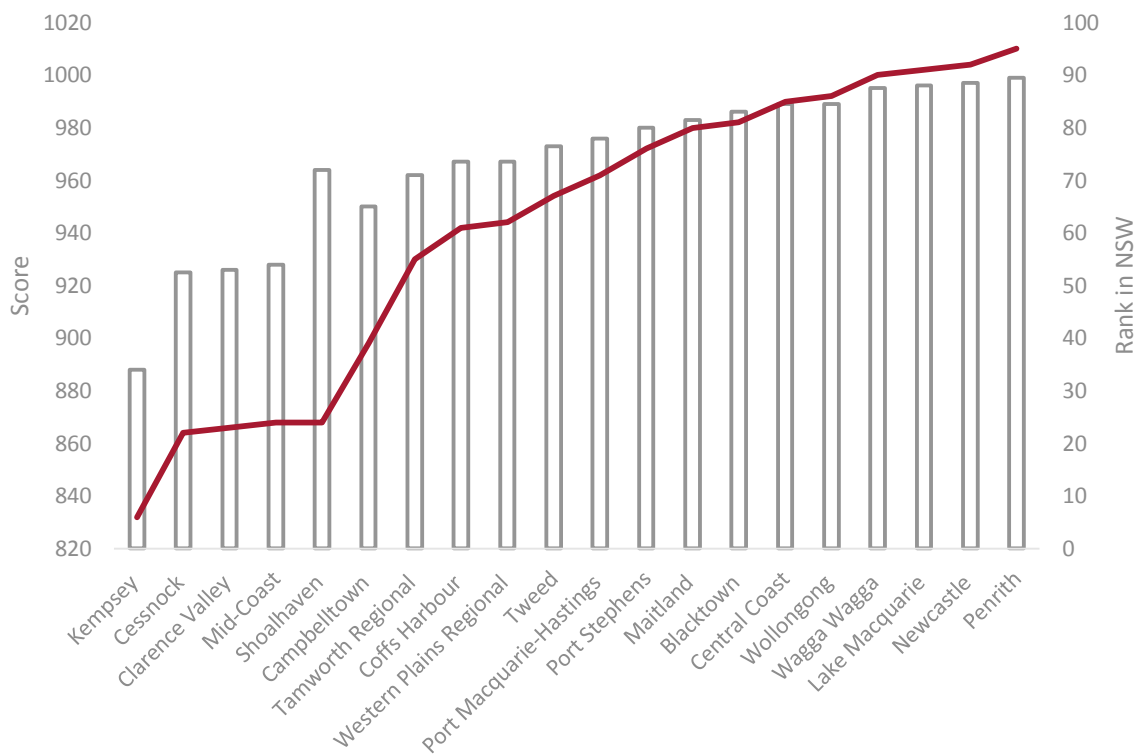


Level of disadvantage

Potential locations should also consider the level of disadvantage in those communities. The Socio-Economic Indexes for Areas (SEIFA) index provides an indication of the level of relative disadvantage across LGA's in NSW, looking at factors including low income, low qualifications and low skill occupations. Areas with higher levels of relative disadvantage could be targeted for social impact investment.

Figure 2 below presents the 20 LGAs with the highest count of Aboriginal persons with the SEIFA score and rank within NSW (ABS 2016b). Using the Index of Relative Socio-Economic Disadvantage, the lower the score and rank indicates that an area is relatively disadvantaged compared to an area with a higher score and rank (with the highest rank being 130 in NSW).

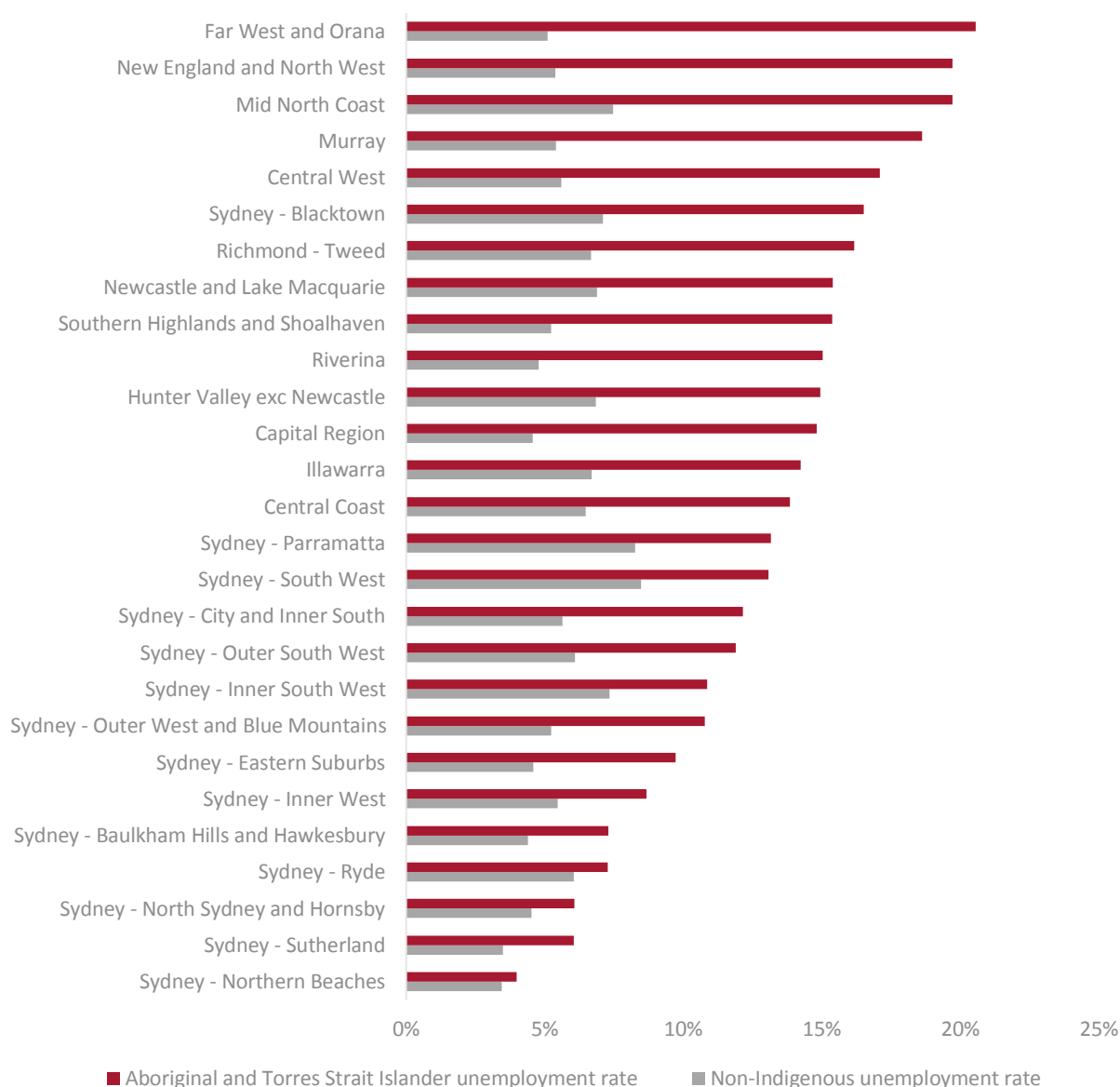
Figure 2: LGA Index of Relative Socio-economic Disadvantage, 2016



Unemployment rates

Regions with high unemployment may also be targeted by proposals. The unemployment rates for Aboriginal and Torres Strait Islander people are higher than those for non-Indigenous people across all NSW regions. However, the regions of Coffs Harbour and Grafton, Far West and Orana, New England and North West, and the Mid North Coast have the highest levels of Aboriginal and Torres Strait Islander unemployment, with unemployment rates over 20%. Similarly, the rate of Aboriginal and Torres Strait Islander people not in the labour force is over 50% for these regions. The comparison of unemployment rates for Aboriginal and Torres Strait Islander people and non-Indigenous people across all NSW regions are depicted in Figure 3 below (ABS 2016c).

Figure 3: Aboriginal and Torres Strait Islander and non-Indigenous unemployment rates, 2016

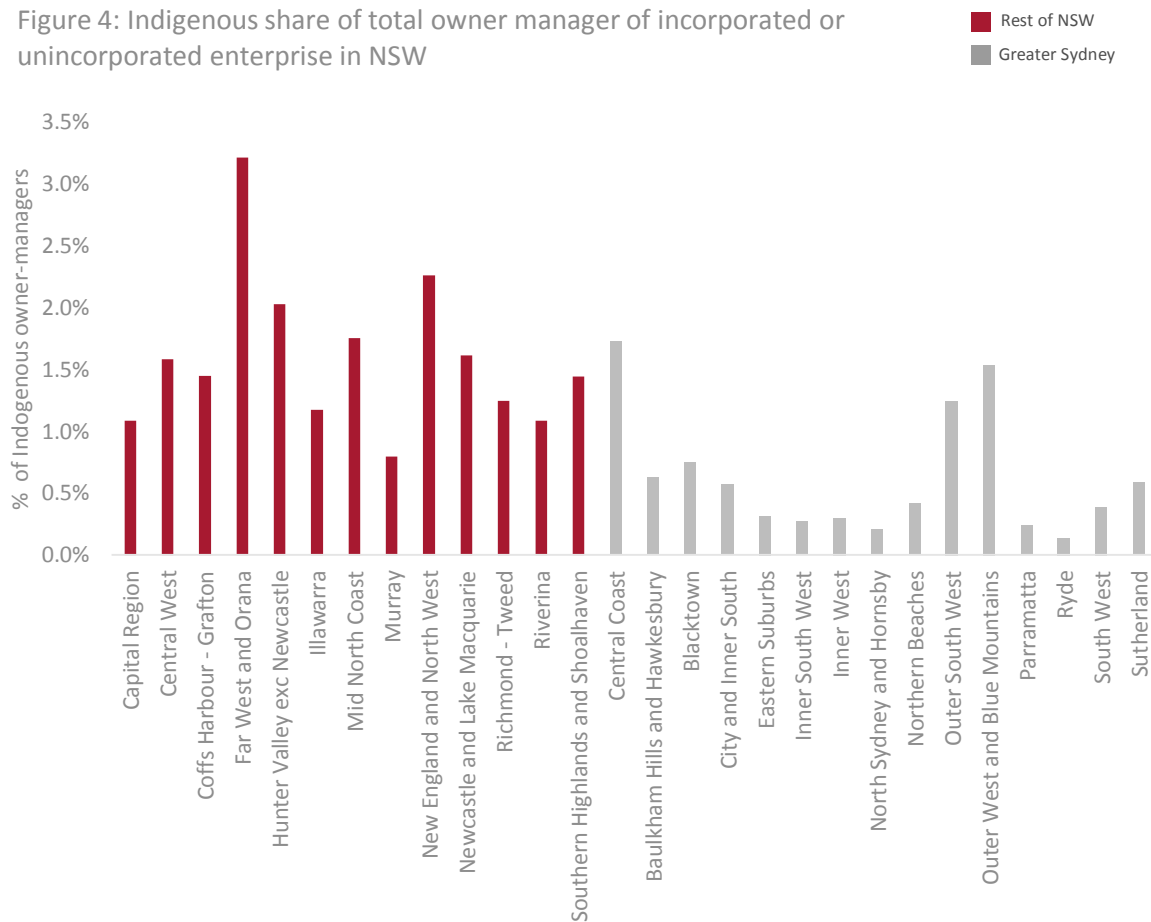


Aboriginal self-employment and owned enterprise

Aboriginal owned and led businesses, whether for profit or not-for-profit, can provide a range of social and economic benefits, including income and employment. Proposals that provide support or infrastructure for Indigenous entrepreneurship in regional areas are important for the NSW Government. NSW holds 18% of the total registered Aboriginal and Torres Strait Islander corporations, behind Western Australia, Queensland and Northern Territory (ORIC 2018).

Within the state, Aboriginal businesses are more concentrated in regional areas (PMC 2016). Of the total owner managers of enterprise in NSW, 1.6% are Indigenous in regional NSW compared to 0.6% in Greater Sydney (ABS 2016e). These regions with greater Indigenous business owners are illustrated below, revealing regions where services can be targeted to improve business ownership or to complement existing growth in that area.

Figure 4: Indigenous share of total owner manager of incorporated or unincorporated enterprise in NSW



6.4 Principles for SII

Principles for Social Impact Investment

The NSW Government has endorsed [principles for social impact investment](#). Proponents should consider these five principles in developing their response to this RFP. They include:

1. **Robust measurement.** Methods for selecting clients and measuring outcomes are rigorous, supported by reliable data, and designed to minimise adverse outcomes.
2. **Value for money.** Achieving the outcomes will deliver measurable benefits to the NSW Government in terms of savings, avoided costs and/or productivity gains, and these benefits are sufficient to support payments in the transaction. Where benefits cannot directly fund these payments (e.g. through cash savings), the proposal must clearly demonstrate value for money relative to the government directly delivering services.
3. **A service likely to achieve social outcomes.** Evidence or analysis indicates that the proposed service is highly likely to achieve social outcomes; and that the service provider has the capabilities to implement and, if necessary, adapt the service.
4. **Appropriate sharing of risks and returns.** The balance of sharing risks and returns between investors, service providers and government is sufficient to attract investors to the product and ensure value for money to the public.

5. **A focus on high priority social problems.** The service delivery area is one in which the government is seeking to address a major problem and is likely to be supported by investors.

Principles for effective Aboriginal economic development

Principles based on the knowledge and experience of Aboriginal communities, non-government organisations and the NSW Government can guide best practice when engaging with development of an SII initiative for Aboriginal economic development. In short, providing employment or education services to regions, proponents must place the needs and strengths of a community at the centre of any service design and delivery.

The following principles follow the Australia Council for International Development's (ACFID), principles of Indigenous development practice (ACFID 2014), and incorporate the learnings of other literature:

- 1. Partnerships and productive relationships:** Integral to successful service delivery is valuable partnerships. Genuine partnership should include working together to accomplish agreed results and accepting joint responsibility for achieving them, allowing local organisations to set the final agenda for its own work, and defined mutual roles and responsibilities (Hunt 2010). Proponents should also show their willingness to support development practices that Aboriginal organisations have developed.
- 2. Participation:** When Aboriginal people make their own decisions, they consistently outperform external decision makers. Therefore, community participation should be ensured throughout all stages of service design and delivery. This can include establishing strong community leadership and governance arrangements to drive change 'on the ground,' as well as reporting on progress in a meaningful way that makes sense at a community level (NSW Ombudsman 2011). Organisations must respect the right of Aboriginal people and organisations to advocate on their own behalf.
- 3. Cultural Competency:** Services should reflect and respect contemporary culture and incorporate cultural knowledge into the structure of the service. The cultural differences between Aboriginal and non-Aboriginal Australians has implications for social services, and if services do not adapt to the contemporary Aboriginal cultural context, it will impact the ability to improve outcomes in the long term. Strategies for cultural competence include delivering services in a creative and flexible manner in response to the changing needs of the community, conducting services "in language" or in plain accessible English, involve family, extended kin networks, and community members in service delivery, and inviting Indigenous Elders to participate in the program delivery (Price-Robertson and McDonald 2011). Cultural competence also requires active on-going learning by organisations through self-reflection, awareness and sensitivity, and it is a process, not a product, that will be strengthened over time (NCCC 2018).
- 4. Place-based:** Place-based approaches involve the community as active participants in co-defining the issue and co-designing and co-delivering the solution. Community must be at the heart of the service, requiring a clear understanding of the needs of a place, its assets including social capital, and the opportunities available to make better use of existing resources (DSS 2017). Service delivery organisations should thoroughly understand the local context and history which will lead to appropriate ways of thinking and working.
- 5. Long-term engagement:** There needs to be a trusting and committed relationship that understands that only listening, flexibility and innovation as a basis for programs and support will bring solutions in the long term (NSW Ombudsman 2016).

6. Do no harm: A service organisation must be aware of the impact that their presence will have on the community and ensure it does not leave people feeling more disempowered (ACFID 2014). Community readiness to tackle their own issues is critical for a successful place-based approach, where organisations assess community readiness and build community capacity (DSS 2017).

7. Strength-based: A strengths-based approach involves understanding and working from a community's collective strengths to assist them to address their challenges. Organisations should recognise and build on the assets, capacity and cultural strengths of existing local organisations and communities, rather than simply focus on the weaknesses. In doing so, targeted services are more likely to realise sustained change because they empower communities to provide practical solutions that are appropriate for them (Stewart et al 2011).

8. Rights-based approach: Development activities must uphold the UN Declaration on the Rights of Indigenous Peoples – specifically Article 23 that states:

Indigenous peoples have the right to determine and develop priorities and strategies for exercising their right to development. In particular, Indigenous peoples have the right to be actively involved in developing and determining health, housing and other economic and social programmes affecting them and, as far as possible, to administer such programmes through their own institutions (United Nations 2008).

9. Cross-cutting issues: Aboriginal wellbeing has social, economic, emotional, cultural and spiritual dimensions and healing needs to occur at the individual, family and community level (Aboriginal Affairs 2013). Service providers should consider broader issues such as safety, home, gender, disability, child protection, and environment, within their economic development programs. Collaboration is encouraged between service providers and cross sector partnerships at the community level.

10. Governance Structures: Service providers must work with, support and respect existing governance structures. For economic development to take hold, self-determination must be backed by respected and capable governance. This includes solid community governance arrangements that take the politics out of day-to-day decision making (Aboriginal Affairs 2017a). The governance of organisations must also display respect for intellectual property by committing to the protocols required for taking and reproducing images, stories and knowledge from Aboriginal communities.

6.5 Avoiding duplication with other programs and initiatives

To enable a viable social impact investment, it is important for any intervention to complement rather than duplicate or overlap with existing programs and services that are also targeted at the same cohort. For example, if a participant in the SII program is already accessing other, similar services, it will be difficult to attribute participant progress in the agreed outcomes. In some cases, the SII program may seek to link the participant to funding or services that are already available, such as employer subsidies.

Information on current state and Commonwealth Government initiatives focused on Aboriginal Economic Development is provided below.

Table 1: Summary of state and Commonwealth Government initiatives

<i>Initiative</i>	<i>Description</i>	<i>Key barriers to economic development addressed</i>	<i>Region of operation</i>
<i>Aboriginal Procurement Policies New South Wales Government</i>	Aboriginal Procurement Policies have adopted aspirational targets for NSW Government procurement from Aboriginal owned businesses.	Supply side constraints and assisting small Aboriginal businesses and start-ups.	State-wide.
<i>Indigenous Procurement Policy Commonwealth Government</i>	Mandatory procurement-connected policy under the legislative instrument of the Commonwealth Procurement Rules.	Drive demand for Indigenous goods and services.	Nation-wide.
<i>Aboriginal Land Agreements New South Wales Government</i>	The NSW Government is working with several Local Aboriginal Land Councils to resolve outstanding land claims under the NSW Aboriginal Land Rights Act.	The economic potential of land gained through the land agreement process.	Northern Beaches, Federation, Tamworth and Tweed Local Government Areas, as well as Eden, Brewarrina, the Central Coast and Griffith.
<i>Local Decision Making and Agreement Making New South Wales Government</i>	Aboriginal regional governance structures that drive community priorities and work with governments to help realise community aspirations.	Capacity and capability of regional alliance governance to improve economic outcomes.	Far West, Illawarra, Far North Coast, Central West, Central Coast, New England and North West.
<i>Aboriginal participation in construction policy NSW Government</i>	Establish what percentage of project spend must be directed to Aboriginal related employment and education activities, procurement of goods or services from recognised Aboriginal businesses or other programs.	Support greater participation by Aboriginal people in government construction projects.	State-wide.
<i>Smart, Skilled and Hired New South Wales Government</i>	Smart, Skilled and Hired helps young people and local businesses in NSW. Young people (15 to 24 years) are connected to training, mentoring, work experience placements.	Capability building for work readiness, to find and start employment.	Western Sydney, the Central Coast and Hunter, New England/North West and the North Coast.
<i>Smart and Skilled Fee Exemption for Aboriginal Students New South Wales Government</i>	Aboriginal and Torres Strait Islanders are entitled to a fee exemption for all Smart and Skilled courses.	Educational attainment and skills development, including skills readiness to start a job or to undertake further study.	The skills development program is state-wide.
<i>New Careers for Aboriginal People (NCAP) Program New South Wales Government</i>	Aboriginal employment advisors support Aboriginal people with education, training & employment opportunities.	Information to inform people about jobs, training, or business development opportunities. Capability building for work readiness, to find and start employment.	Far North Coast, Far West, Far South East. Hunter, Central Coast, Mid-North Coast, Mid-South East, Mid-western, New England, Riverina, Western Sydney, Western NSW, Sydney South West, Illawarra.
<i>Elsa Dixon Aboriginal Employment Program New South Wales Government</i>	Funds organisations to provide work experience for Aboriginal students in their final	Capability building for work readiness, to find and start employment.	Grants are provided across NSW regions.

<i>Initiative</i>	<i>Description</i>	<i>Key barriers to economic development addressed</i>	<i>Region of operation</i>
<i>Opportunity Hubs New South Wales Government</i>	year of a degree/ post-degree course. Opportunity Hubs are an initiative under OCHRE, the NSW Government plan for Aboriginal affairs, that builds partnerships between schools, employers, education and training providers.	Coordination failure, including limited or lack of access to employment and business development networks.	Upper Hunter, Campbelltown, Dubbo, Tamworth.
<i>Business Connect New South Wales Government</i>	A state-wide business advisory program that provides high quality business advice to support start-ups and small to medium enterprises across NSW.	Capability building for business readiness, to start-up or expand a business.	New England & North Coast, Hunter & Central Coast, Central West & Orana, South East & Tablelands, Illawarra & Shoalhaven, Riverina & Far West, Eastern Sydney, Western Sydney.
<i>Aboriginal Enterprise Development Officer (AEDO) Program New South Wales Government</i>	Aboriginal business advisors assist Aboriginal clients to set up a business. Includes free advice and help to develop business plans, small business training, ongoing mentoring.	Capability building for business readiness, to start-up or expand a business. Positive employment outcomes are also a focus. Capability building for work readiness, to find and start employment.	Riverina, Far North Coast. Hunter and Central Coast, Illawarra and South East, Mid-North Coast, Orana, New England.
<i>The Way Ahead for Aboriginal People New South Wales Government</i>	The Way Ahead for Aboriginal People provides mentoring services for Aboriginal apprentices and trainees who need additional support in the workplace. Assists Aboriginal businesses and Aboriginal Community Controlled Organisations to maximise the economic opportunities created by the rollout of the National Disability Insurance Scheme.	Capability building for work readiness, to find and start employment.	Mentoring occurs across NSW regions.
<i>Making It Our Business New South Wales Government</i>	Assists Aboriginal businesses and Aboriginal Community Controlled Organisations to maximise the economic opportunities created by the rollout of the National Disability Insurance Scheme.	Capability building for business readiness, to start-up or expand a business.	The program would be open to all business operating or intending to operate in NSW.
<i>City Deal Indigenous Business Hub Commonwealth Government</i>	The Australian Government will establish an Indigenous Business Hub which are one-stop shops for the new support services. Indigenous, social and local employment and procurement targets in construction projects, including a 2.4 per cent Indigenous employment target and a 3 per cent Indigenous procurement target.	Coordinated business support services.	Western Sydney.
<i>City Deal Indigenous participation targets Commonwealth and NSW Government</i>	Indigenous, social and local employment and procurement targets in construction projects, including a 2.4 per cent Indigenous employment target and a 3 per cent Indigenous procurement target.	Supply side constraints and funding for apprenticeships and traineeships.	Western Sydney.
<i>Indigenous Advancement Strategy community-led grants Commonwealth Government</i>	Grant funding in response to a request for support to respond to an emerging community need or opportunity. The	Support programs that assist working age Indigenous people find jobs, work-readiness programs, effective	Nation-wide.

<i>Initiative</i>	<i>Description</i>	<i>Key barriers to economic development addressed</i>	<i>Region of operation</i>
<i>Business Development and Assistance Program Commonwealth Government</i>	activity must address one or more of the Government's priority areas, including employment and economic development. Provides Aboriginal and Torres Strait Islander individuals and businesses with access to finance products, advice, training and workshops to start or grow a small to medium business.	management if Indigenous-owned land. Support to Aboriginal SMEs.	Nation-wide.

The above list includes a range of existing services and supports supporting Aboriginal economic development. It is not comprehensive or exhaustive. As outlined in this RFP, proponents should ensure proposals are not duplicating existing services. In addition to the programs above, proponents should consider their additionality to any other existing programs offered by local, state and commonwealth or other private and non-government organisations

6.6 Cohorts of interest

The NSW Government is open to considering proposals that target a range of demographics and potential cohorts depending on the nature of the service or program. These will be assessed on the basis that an impact will be made towards improving economic development in communities. To support proponents, a range of cohorts and data are outlined below. These are provided as a guide and are not intended to limit the scope of proponent responses.

Current and potential business owners or entrepreneurs

The Aboriginal business sector has experienced significant growth in recent years yet there remains scope for further improvement. The growing development of the 'Indigenous economy' has been attributed to factors such as Aboriginal people seeking alternative employment, the need for community driven and led services, increased access to government-funded programs and the emergence bodies such as Supply Nation and the Indigenous Chambers of Commerce (PWC 2018). Above all, the growth in Aboriginal enterprise, both for profit and not-for-profit, and self-employment is vital in achieving self-determining individuals and independent communities.

Due to the lack of a universal definition for an 'Indigenous business,' the number in NSW and Australia is difficult to quantify. One method is using the number of Aboriginal 'owner-managers' as a proxy. As such, there are approximately 4,527 Aboriginal business owners in NSW (PWC 2018). Nationwide, there has been a 30% increase in Indigenous people in business since 2011, with key industries being agriculture, construction, retail trade and accommodation (PWC 2018). Further, 10% of employed Aboriginal and Torres Strait Islander adults were self-employed in 2014-15, an increase from 6 per cent in 2011 (SCRGSP 2016).

Initiatives of the NSW Government has assisted in this trend. For instance, in 2016-17, 1,485 Aboriginal businesses were supported by the NSW Government's business advisory services in 2016-17, including 1,282 businesses accessing the Aboriginal Enterprise Development Officer program which established 48 new business in the same period.

Current analysis in determining the economic contribution of Aboriginal businesses estimates that self-employed Indigenous individuals nationwide contribute \$309 million to GDP, and Indigenous enterprises contribute between \$1.5 and \$5.9 billion to GDP (PWC 2018). In addition to the

economic contribution, Indigenous businesses also provide a significant social contribution to individuals, families and communities.

A recent social return on investment (SROI) assessment from Supply Nation found that for every dollar of revenue Indigenous businesses create \$4.41 of economic and social value (Burton and Tomkinson 2015). They are also 30 times more likely to employ Indigenous people than other business, and Indigenous owners reinvest revenue into their communities.

In light of this progress, there is still improvement to be made. The Indigenous share of total business in NSW is only 0.9% (ABS 2016e). Also, despite Aboriginal businesses being more concentrated in regional areas (as evidenced in the data above), Aboriginal residents of remote areas are still significantly less likely to be self-employed than non-Indigenous residents of the same area. Factors for this trend include less education and training qualifications, limited access to credit and banking services, and low levels of social capital in terms of having strong social networks outside the local community (Hunter 2013). As evident through the impact discussed above, services supporting the establishment of Aboriginal business is anticipated to have a substantial impact on both communities and the NSW economy at large.

Aboriginal people not engaged with employment

Participation in the economy can significantly influence living standards. Sustained employment can lead to improved incomes for families and communities, and enhance self-esteem and reduce social alienation.

In 2016, the unemployment rate in NSW for Aboriginal people was 15% and the participation rate was 54.4% (ABS 2016d). Regional unemployment rates can be as high as 21% (Coffs Harbour-Grafton, Far West-Orana). Though there have been improvements in both unemployment and participation rates, having decreased by 4% and increased by 3.2% respectively since 2006, there is still a gap with the non-Aboriginal population as outlines in Table 2 below:

Table 2: NSW labour force status, Indigenous vs non-Indigenous 2016 (ABS 2016d)

	Aboriginal and/or Torres Strait Islander	Non-Indigenous
Unemployment	15%	6%
Labour force participation	54%	63%
Employment to population	46%	59%
Not in the labour force	43%	36%

Differences can also be seen between genders, with Aboriginal women (46.2%) more likely to be outside the labour force than men (39.5%) and are more likely to be in part time employment (20.2% Aboriginal women compared to 11.1% for men) (Angus 2018).

Industries of employment are also more focused in Public Administration, Health and Education, with Aboriginal people less likely to be employed in Finance, the Professions, and Wholesale Trade. Forecast growth in care sectors driven by the National Disability Insurance Scheme and an ageing population provide vast economic opportunities in care sectors.

The Productivity Commission has estimated that the NSW government direct expenditure was \$13.2 million for Indigenous labour and employment services in 2015-16, which is 46% more per person than non-Indigenous Australians (SCRGSP 2017).

Sustainable employment will also improve disparity in incomes, with Aboriginal people in NSW having an average weekly income of \$472 compared to \$669 for non-Aboriginal people. Further, a majority (58%) of Aboriginal people in NSW aged 18-64 receive government pensions and allowances compared to 21% non-Indigenous, with over 225,000 Indigenous Australians in receipt of a primary income support payment as of March 2018 (DSS 2018). The Productivity Commission has estimated that the NSW government direct expenditure was \$8.8 million for Indigenous social security support in 2015-16.

Aboriginal youth, specifically those with lower rates of employment or educational qualification

In contrast to the Australian demographic trend of an ageing population, the Aboriginal population is particularly young. In 2016, the median age of the NSW Aboriginal population was 22 years, compared with 38 years for the non-Aboriginal population. Further, over half of the population was aged under 24, compared to 31% of the non-Aboriginal population (ABS 2016d). Successful investments in economic prosperity among young cohorts will provide long-term social and economic benefits, and is an economic imperative for the NSW economy where the working-age population is declining.

Unemployment amongst Aboriginal people is highest for young people aged 18-24 at 24% (ABS 2016d). Further, Aboriginal people aged 15 and over were half as likely as non-Indigenous people to have completed Year 12 or equivalent schooling. In 2016, 53.5% of Indigenous people had only completed Year 11 or lower, compared to 34.9% of non-Indigenous persons (Angus 2018).

The Productivity Commission has estimated that the NSW government direct expenditure on early child development, primary, secondary and tertiary education, and training services is almost three times more per person for Aboriginal students than non-Indigenous Australians (SCRGSP 2017).

Aboriginal people who have interacted with the justice system

The disproportionate rate of imprisonment for Aboriginal people has a substantial effect on families and communities as well as broader intergenerational impacts.

As of 30 June 2017, 24% of the NSW prison population were Aboriginal and Torres Strait Islander, despite only making up less than 3% of the NSW population (ABS 2017). Nationally, the daily average detention rate for Aboriginal and Torres Strait Islander youth remains around 24 times the rate for non-Indigenous youth (SCRGSP 2016).

Economic modelling reveals the cost to the Australian economy of Indigenous incarceration is almost \$8 billion per year (PWC 2017). If the gap between Indigenous and non-Indigenous rates of incarceration was closed, this would generate savings to the economy of \$18.9 billion per year in 2040 (PWC 2017). In NSW, the Productivity Commission has estimated that the NSW government direct expenditure was \$5,343 per person for Indigenous public order and safety in 2015-16, almost 7 times that for non-Indigenous Australians at \$818 per person (SCRGSP 2017).

The interrelated nature of incarceration and economic development is important. Key drivers of Indigenous incarceration include education, with Indigenous people completing school being 14 times less likely to be imprisoned than those that do not, and employment, with employed Indigenous people 20 times less likely to be imprisoned than those who are unemployed (PWC 2017). Therefore, sustainable employment outcomes for Aboriginal people transitioning from prison can have a much broader impact. Though addressing incarceration rates is complex and requires a holistic and multi-pronged approach, economic development is one protective factor against recidivism.

6.7 References

- Aboriginal Affairs NSW 2013, OCHRE: NSW Government Plan for Aboriginal affairs, education, employment & accountability, Aboriginal Affairs NSW, Sydney, viewed 10 June 2018, https://www.aboriginalaffairs.nsw.gov.au/pdfs/OCHRE/AA_OCHRE_final.pdf
- Aboriginal Affairs NSW 2017a, Local Decision Making: Policy and Operational Framework, Aboriginal Affairs NSW, Sydney, viewed 10 June 2018, <https://www.aboriginalaffairs.nsw.gov.au/pdfs/local-decision-making/LDM-POLICY-AND-OPERATIONAL-FRAMEWORK-JULY-2017.pdf>
- Aboriginal Affairs NSW 2017b, Transforming the relationship between Aboriginal peoples and the NSW Government: Aboriginal Affairs NSW research agenda 2018-2023, Aboriginal Affairs NSW, Sydney.
- Angus, C 2018, Indigenous NSW: Findings from the 2016 Census, NSW Parliamentary Research Service, Sydney.
- Australia Council for International Development (ACFID) 2014, Effective Development Practice with Aboriginal and Torres Strait Islander Communities, ACFID, Canberra, viewed 11 June 2018, https://acfid.asn.au/sites/site.acfid/files/resource_document/Effective-Development-Practice-with-Aboriginal-and-Torres-Strait-Islander-Communities.pdf
- Australian Bureau of Statistics 2016a, Census of Population and Housing - Counts of Aboriginal and Torres Strait Islander Australians, 'Table 02: Census Counts of Aboriginal and Torres Strait Islander Persons in Local Government Areas', data cube: Excel spreadsheet, cat. no. 2075.0, viewed 11 July 2018, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/2075.02016?OpenDocument>
- Australian Bureau of Statistics 2016b, Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), 'Table 1 Local Government Area, Indexes', data cube: Excel spreadsheet, cat. no. 2033.0.55.001, viewed 11 July 2018, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/2033.0.55.0012016?OpenDocument>
- Australian Bureau of Statistics 2016c, SA4 (UR) by LFSP Labour Force Status and INGP Indigenous Status (Census 2016), TableBuilder. Findings based on use of ABS TableBuilder data.
- Australian Bureau of Statistics 2016d, Census of Population and Housing - Aboriginal and Torres Strait Islander Peoples Profile (New South Wales), cat. no. 2002.0, viewed 11 July 2018, http://www.censusdata.abs.gov.au/census_services/getproduct/census/2016/communityprofile/1?opendocument
- Australian Bureau of Statistics 2016e, Owner managers (no.) by SA4 (UR) Place of Residence and INGP Indigenous Status (Census 2016), TableBuilder. Findings based on use of ABS TableBuilder data.
- Australian Bureau of Statistics 2017, Prisoners in Australia 2017, 'Table 14 Prisoner characteristics, Australia', data cube: Excel spreadsheet, cat. no. 4517.0. viewed 26 June 2018, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4517.0~2017~Main%20Features~Key%20findings~1>

- Burton, R and Tomkinson E 2015, *The Sleeping Giant – A Social Return on Investment Report on Supply Nation Certified Suppliers*, Supply Nation, Sydney.
- Deloitte 2014, *Economic benefits if closing the gap in Indigenous employment outcomes*, Deloitte Access Economics, Canberra.
- Department of Social Services (DSS) 2018, *Payment Demographic Data*, DSS, Canberra, viewed 26 June 2018, <https://data.gov.au/dataset/dss-payment-demographic-data>
- Empowered Communities 2015, *Empowered Communities: empowered peoples design report*, Wunan Foundation, Northern Territory.
- Hunt, J 2010, *Partnerships for Indigenous Development: International Development NGOs, Aboriginal Organisations and Communities*, Working Paper No. 71/2010, Centre for Aboriginal Economic Policy Research, Australian National University, viewed 25 July 2018, <http://caepr.anu.edu.au/Publications/WP/2010WP71.php>
- Hunter, B 2013, *Recent growth in Indigenous self-employed and entrepreneurs*, Working Paper No. 91/2013, Centre for Aboriginal Economic Policy Research, Australian National University, viewed 25 July 2018, http://caepr.cass.anu.edu.au/sites/default/files/docs/WP91_Hunter_self_employment_0.pdf
- National Centre for Cultural Competence (NCCC) 2018, *What is Cultural Competence?*, The University of Sydney, Sydney, viewed 26 July 2018, <http://sydney.edu.au/nccc/about/culturalcompetence.shtml>
- NSW Ombudsman 2011, *Addressing Aboriginal disadvantage: the need to do things differently*, A Special Report to Parliament under s 31 of the Ombudsman Act 1974, NSW Ombudsman, Sydney, viewed 11 June 2018, https://www.ombo.nsw.gov.au/__data/assets/pdf_file/0012/3342/SR_Aboriginal-disadvantage-report.pdf
- NSW Ombudsman 2016, *Fostering economic development for Aboriginal people in NSW*, A Special Report to Parliament under s.31 of the Ombudsman Act 1974, NSW Ombudsman, Sydney, viewed 11 June 2018, https://www.ombo.nsw.gov.au/__data/assets/pdf_file/0019/34138/Fostering-economic-development-for-Aboriginal-people-in-NSW_May-2016.pdf
- Office of the Registrar of Indigenous Corporations (ORIC) 2018, *Registered corporations pass 3000*, media release, 27 March 2018, ORIC, Canberra, viewed 22 June 2018, <http://www.oric.gov.au/publications/media-release/registered-corporations-pass-3000>
- Price-Robertson, R and McDonald, M 2011, *Working with Indigenous children, families, and communities: Lessons from practice*, CAFCA Practice Sheet, Australian Institute of Family Studies, Melbourne, viewed 25 June 2018, <https://aifs.gov.au/cfca/publications/working-indigenous-children-families-and-communities>.
- PwC Indigenous Consulting 2017, *Indigenous incarceration: Unlock the facts*, PwC, Sydney, viewed 16 June 2018, <https://www.pwc.com.au/indigenous-consulting/assets/indigenous-incarceration-may17.pdf>
- PwC Indigenous Consulting 2018, *The contribution of the Indigenous business sector to Australia's economy*, PwC, Sydney, viewed 11 June 2018, <https://www.pwc.com.au/indigenous-consulting/assets/the-contribution-of-the-indigenous-business-sector-apr18.pdf>

SCRGSP (Steering Committee for the Review of Government Service Provision) 2017, Indigenous Expenditure Report 2017, Productivity Commission, Canberra.

SCRGSP (Steering Committee for the Review of Government Service Provision) 2016, Overcoming Indigenous Disadvantage: Key Indicators 2016, Productivity Commission, Canberra.

Stewart J, Lohoar S and Higgins D 2011, Effective practices for service delivery coordination in Indigenous communities, Resource Sheet 8, Australian Institute of Health and Welfare, Canberra, viewed 25 June 2018, <https://www.aihw.gov.au/getmedia/322b47bf-ac2c-4de7-9b43-88dd001e8dfe/ctgc-rs08.pdf.aspx?inline=true>.

The United Nations General Assembly 2007, United Nations Declaration on the Rights of Indigenous Peoples, viewed 25 June 2018, http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf

6.8 Other useful references

Aboriginal Affairs NSW Research, <https://www.aboriginalaffairs.nsw.gov.au/new-knowledge>

Australian Government Indigenous Clearinghouse, <https://www.aihw.gov.au/reports-statistics/population-groups/indigenous-australians/overview>

Centre for Aboriginal Economic Policy Research, <http://caepr.cass.anu.edu.au/>

Harvard Project on American Indian Economic Development, <https://hpaied.org/>