

Comprehensive brochure:

Expert Advice Exchange (EAX)

What is the EAX?

The EAX is a platform to connect social sector organisations based in NSW with pro bono advice and support from leading law firms, professional services firms, and financial institutions ('advisory firms').

Under the scheme, advisory firms commit a certain level of pro bono resource (usually in hours and advice areas), which will be allocated among eligible not-for-profits and social enterprises. Multiple application rounds will be held throughout the year.

The EAX aims to build capacity in eligible organisations by providing them with sufficient understanding of relevant legal, financial and management issues. This will better equip them to participate in new approaches, such as outcomes-based contracting and social impact investment.

Why is it needed?

The NSW Government is committed to collaborating with the social and private sectors to design and deliver services that achieve better outcomes for individuals, families and communities.

This social impact investment approach looks to make best use of the expertise, resources and scope for innovation that the government and non-government sectors can bring to meet community needs and tackle social problems.

The social sector is already a critical partner in service delivery in NSW, and this role will only grow over time. Some not-for-profits and social enterprises are well placed to respond to opportunities for growth and to work in a way that focuses on outcomes. Others will need support to do this, even though they may have great potential to deliver high quality and innovative services.

There is a range of ways the NSW Government can invest in capacity building and up-skilling, and these are being explored. However, private sector partners are best placed to provide certain kinds of support – in particular, the expert guidance that will help not-for-profits and social enterprises to thrive in a changing environment.

NSW Treasury will also participate, providing advice and training on business cases and cost benefit analysis.

How will it work?

The pro bono contribution

Advisory firms have committed specific pro bono resources over a 12 month period to assist not-for-profits and social enterprises in one or more of the following key areas (see table, below):



Legal	Strategy	Finance and accounting
<ul style="list-style-type: none"> • General commercial work, including contracting, procurement & tendering • Governance, including designing constitutions & board processes • Intellectual property • Real property & leasing • Regulatory / compliance matters • Workplace health & safety • Workplace relations 	<ul style="list-style-type: none"> • Communications, including corporate public affairs • Corporate & operations strategy • General business planning, including forecasting • IT systems & architecture review • Workforce 	<ul style="list-style-type: none"> • Financing & funding strategies • Financial management & accounting advice, including financial modelling / planning / analysis
Program development	Program implementation	Program evaluation
<ul style="list-style-type: none"> • Business case development • Cost benefit analysis • Program design & logic 	<ul style="list-style-type: none"> • Program implementation & scaling • Project management • Risk management • Stakeholder engagement strategies 	<ul style="list-style-type: none"> • Evaluation: frameworks, analysis & verification

Under the EAX, an applicant could seek to build capacity in, for example, setting up governance arrangements, or preparing for and participating in new business opportunities. The EAX is not available for representation in major transactional work such as public-private partnerships, although the EAX could be used for initial evaluation of such an opportunity.

Making an application

Applications will be invited from not-for-profits and social enterprises in rounds spaced throughout the year. In 2016, rounds are tentatively scheduled for May and September.

Application rounds may be targeted to particular policy areas as identified by the NSW Government. For example, if contracts are coming up for renewal in a particular service area, eligibility under the EAX may be limited to organisations preparing to tender for those services. **The 2016 rounds are general rounds and are not targeted to a policy area.**

In their application, applicants will be asked to:

- provide information about their organisation, including their legal, charity and DGR status, the types of services they deliver, and the locations in which they operate
- estimate the number of paid employees and volunteers
- provide information about governance (i.e. board membership) and annual revenue
- describe their advice needs, nominate the areas of advice they wish to receive (to a maximum of five), and explain how they hope the advice will help them.

This information will help match applicants to the most appropriate advisory firm.

Eligibility criteria

Applicants must satisfy the following eligibility criteria to be considered under the EAX:

1. Organisation criteria

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| a. Not-for-profit or social enterprise status | <ul style="list-style-type: none">• Applicants must be either not-for-profit organisations or social enterprises:<ul style="list-style-type: none">– Not-for-profit organisations do not operate for the profit or gain (direct or indirect) of its individual members, either during the lifetime of the organisation or upon its winding up.– Social enterprises are businesses that trade for a social (or environmental) purpose. They may be for-profit or not-for-profit organisations, but are mission driven.• The EAX may facilitate advice to proposed not-for-profits or social enterprises, subject to proposed organisations meeting the viability criteria (see d. below). |
| b. Focus on client outcomes | <ul style="list-style-type: none">• Applicants must demonstrate the potential to deliver high quality services or products and a willingness to develop an outcomes-focused approach to their delivery.• Applicants must demonstrate a willingness to explore innovative methods of delivery and new ways of working with government and the private sector. |
| c. Size of not-for-profit organisation | <ul style="list-style-type: none">• The EAX is designed to help build the capacity of organisations that may otherwise have financial difficulty obtaining the professional services provided.• Applications from smaller organisations that largely rely on a volunteer workforce and/or a small revenue base may therefore be given priority over those from larger organisations that may have the means to purchase professional services. |
| d. Viability of not-for-profit organisation | <ul style="list-style-type: none">• Applicants must demonstrate potential to transition to a larger, sustainable business model, for instance through demonstrating they have the capacity to secure funding sources or (in the case of social enterprises) grow their market share and increase turnover.• The EAX will in general give preference to applications from existing organisations.• The EAX may consider providing assistance to establish new organisations where their proposal demonstrates a sufficient degree of planning and viability. In such cases, the proposed organisation should be able to answer:<ul style="list-style-type: none">– What is the vision or mission statement for the organisation?– What are the proposed governance arrangements? Who are the proposed directors and members, and have they given their consent?– How will the organisation be funded?– Do any proposed directors, officers or members have past experience in establishing a not-for-profit or expertise in this field?– Would the proposed organisation duplicate existing services or compete for funding with existing organisations? |
| e. Location | <ul style="list-style-type: none">• Applicants must be based in NSW, have a presence in NSW or have a demonstrated intention to have a presence in NSW.• In the case of a national organisation with a NSW branch or an interstate organisation, the organisation must demonstrate it delivers or intends to deliver services in NSW that are likely to benefit from the advice facilitated by the EAX. |

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| f. Excluded organisations and activities | <ul style="list-style-type: none">• The EAX will not assist:<ul style="list-style-type: none">– political associations– trade unions– statutory bodies– privately controlled foundations– corporate foundations– organisations that are purely or primarily advocacy bodies.• Similarly, the following projects or activities are also excluded:<ul style="list-style-type: none">– advocacy or lobbying– dispute resolution– litigation– representation in major transactional work, like public-private partnerships. |
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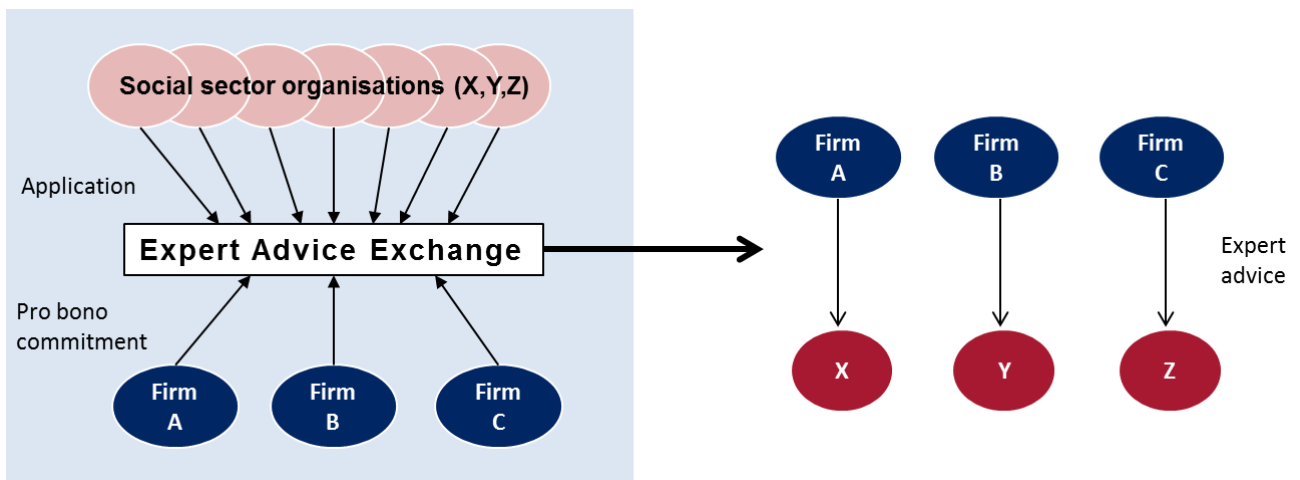
2. Project criteria

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| a. Type of work proposed | <ul style="list-style-type: none">• Applicants can request work from the key areas of services covered by the EAX (please refer to the above section). |
| b. Alignment with Government priorities | <ul style="list-style-type: none">• The NSW Government may choose to target an application round to particular policy areas. In this instance, proposals would be assessed against their alignment with the advertised priority areas. The 2016 rounds are not targeted to a policy area.• The EAX may, in its absolute discretion, consider assisting organisations that may not meet all eligibility criteria, where supporting an applicant is clearly aligned with broader NSW Government social impact investment priorities. This will be assessed on a case-by-case basis. |
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Successful applicants

Eligible applications will be assessed by an independent panel, which also recommends the type and scope of support to be provided, and the estimated length of engagement (as shown in the figure below).

Once that has occurred, the EAX will have no further involvement with the allocated work. Any request by the applicant to extend or to expand the scope of allocated work will be a matter for the applicant and the advisory firm. It is hoped that through the scheme, not-for-profits, social enterprises and advisory firms will build their own ongoing relationships.



Benefits for participants

Participant	Benefits
Non-profits / social enterprises	<ul style="list-style-type: none"> • better able to attract private finance/contributions and increased capacity to deliver services • access to pro bono professional expertise to support growth, planning and transition to new business models – helping the organisation achieve its particular vision or goal • opportunity to build lasting relationships with the private sector, expanding the scope for collaboration and the pool of potential board members and other volunteers • opportunity to strengthen relationships with government and the community • helps focus objectives and strategy and identify business needs (particularly through articulating business needs in the application process)
Professional services firms	<ul style="list-style-type: none"> • active participation in the growth and development of non-profits and social enterprises • leads to the development of new models of pro bono work • introductions to and networking with non-profits and social enterprises who may over time become low bono or paying clients • channeled and triaged work rather than ad hoc requests • image enhancement assists firms to secure commercial clients • enhances the appeal for high quality graduates
Individuals, families and communities	<ul style="list-style-type: none"> • delivery of better services and outcomes for the community when non-profits and social enterprises have greater capacity to participate in new approaches such as social impact investment • better outcomes associated with innovative approaches in tackling social problems • directs scarce resource (in this case expertise) to high-priority service delivery areas to better meet community needs

Further information

Contact the Office of Social Impact Investment:



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Disclaimer: Participating in the EAX is entirely voluntary. The NSW Government, including the Office of Social Impact Investment, does not accept responsibility for the content or quality of advice provided to applicants, nor how applicants use it. Advisory firms are responsible for ensuring they meet necessary professional standards and regulations to advise organisations referred to them. Organisations providing or receiving advice will not be unfairly advantaged or receive favourable treatment in future dealings with the NSW Government as a result of participating in the EAX.