

Social Impact Bonds Information Session

Questions and answers from the session held on 20 July 2016

What is the potential scale of the proposed Social Impact Bonds (SIBs) program?

Taking into account expected establishment costs and the desire to deliver a targeted pilot program, DTF's view is that each bond could be in the order of \$10 million.

Does the Government have a view on how services under a SIB might transfer into fee-for-service payments after an SIB is completed?

Any agreement entered into with a service provider, financier or consortium cannot bind a future government to a course of action beyond the period of the bond itself. However, if service providers achieve nominated outcomes under a SIB framework, then this will provide a strong and positive evidence base for future decisions about service provision beyond the end of the SIB period.

Will proposals outside the nominated priority areas be accepted?

Yes, although Government's thinking in the nominated areas is more advanced. In the nominated areas, the Victorian Government considers that the case for intervention is well-founded, issues are significant, and preliminary financial analysis suggests that a successful intervention could result in significant avoided costs.

At this stage, we will preference proposals from the nominated policy areas. However, proposals outside these areas that demonstrate a strong policy and financial basis will also be considered.

What is the format of the forthcoming workshops?

The Victorian Government acknowledges that there are many stakeholders that are interested in Victoria's SIB program, and that these stakeholders will have different levels of understanding about what SIBs are, and how they might work in the Victorian context.

The workshops should be treated as sequential and will:

- be a forum in which Government can provide further information to interested participants about the way in which a SIB might work, and the steps that need to be worked through to develop an appropriate proposal;
- ensure that the Victorian Government's expectations about what can be achieved through the SIB development process are in line with the sector's views about that process; and
- provide participants with some self-selection tools, to enable some filtering of interest to occur and to facilitate conversations with providers that have put significant effort in developing well-considered proposals. The Victorian Government acknowledges that the development of SIB proposals is likely to be resource-intensive.

Further information on the format of the workshops will be published on the [DTF website](#).