



# KIMBERLEY INSTITUTE

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## *From the Grass Roots Up: the Broome Social Investment Model*

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### Overview

“The Broome Model” aims to leverage and wholistically coordinate social investment in the unique organisations of the culturally cohesive region of Broome, the Dampier Peninsular and Bidiyadanga, Western Australia. It has been devised and coordinated by the Kimberley Institute as a peak advocacy organisation for Aboriginal peoples of the region. The approach brings corporate and philanthropic investors into grass roots organisations through new social investment mechanisms including bonds, grants, and venture capital that are tied to strong indicators and performance targets. Government in this model becomes an underwriting supporter not a top down director. This fundamentally changes the dynamic of solving community problems. While several aspects of the Broome Model have been attempted individually and within some spheres of activity, the model takes a whole of community approach driven by a rigorous understanding of the nature of local problems and challenges. This collective partnership also includes the Native Title holders of the area, being the Yawuru, through their Prescribed Body Corporate and their commercial entity Nyamba Buru Yawuru Limited. It provides a useful model for social investment for North Australia and across the continent in general.

The Broome Model addresses Indigenous socio-economic disadvantage including:

- High incarceration rates;
- Juvenile anti-social behaviour including poor school attendance;
- High incidence of substance abuse;

- High incidence of poor physical and psychological health;
- High rates of long-term unemployment; and
- High incidence of domestic abuse or dysfunction.

These problems are addressed by an alliance of Broome Aboriginal NGO's that are culturally appropriate providers of:

- Employment and training services
- Primary and mental health services
- Language and Cultural wellbeing services
- Substance abuse services
- Housing solutions services
- Men's and women's outreach services.

One of the motivations for the new coordinated approach has been the volatile annual Government funding cycle which challenges local capacity to address practical problems over short, medium and long-term timeframes. The model is more efficient than a cyclical top down investment model. It is tied to the delivery of outcomes, saves Government money, rewards good performance and provides long-term stability and professional development for organisations on the ground.

### How Does It Work

To work, the grass roots community partners have to be able to define and show that key performance targets have been achieved. Once a priority has been identified, a social investment strategy is designed

over the medium and long -term to support a package of services provided by the partnership. The community impact partners then negotiate with Governments and social investors on the amount of investment required, the dividend proposed by Government as underwriters, and the specification of the services and outcomes to be delivered. As the lead coordinating group, the Kimberley Institute negotiates with Government but brings in a range of different sources of funding including social bonds, social debt, philanthropic grants, contributions from participant organisations, and in-kind contributions.

The Kimberley Institute has been working with Nulungu Centre Notre Dame University, Australian National University's Centre for Aboriginal Economic Policy Research (CAEPR), and University of Western Australia's Law School to develop models that will allow for the demonstration of outcomes being achieved, such as the diminishment of incarceration and recidivism rates among the target group of people, as social returns on investment.

## The Benefits

The benefits of the Broome model are:

- It allows long-term strategies for dealing with social issues rather than short-term siloed Government programme funding strategies.
- The social investors potentially see a financial return for their investment enabling them to contribute to the community in practical and beneficial outcomes.
- For Governments it provides for long-term strategies to deal with intransigent social problems.
- It creates a sustainable funding model incorporating private, philanthropic, corporate and Government based on Social Investment Bonds.
- The development of a sustainable funding model for the delivery of social outcome services by Community-based organisations in Broome.

- A framework for the quantification and provision of empirical data for Social Development Projects in Broome based on Social Return on Investment principles.
- A framework for the negotiation of social investments in Broome that enables a rigorous assessment and evaluation of the investment potential of the delivery of social development projects in Broome and the Kimberley.
- It promotes the collaboration of Community-based organisations.
- It will initially concentrate on Restoration Strategies and Juvenile Justice Diversion strategies in which providing employment and training strategies for those involved in the programme is the central component.
- The Broome model has the potential to deliver secure funding for community-based organisations that will provide employment security for employees.
- The partnerships open gates to expanded work readiness and enhanced skills training which inevitably builds employment capacity.

## Investment Partnership - The Way of the Future

The Broome model creates a linkage between the public / corporates / community for the delivery of social outcomes in any particular region – a new way of delivering social outcomes through partnerships. The model provides an avenue for companies involved in developing the Kimberley to invest in Kimberley community service delivery in a structured manner on a long-term basis – which in turn builds strong partnerships between industry partners and the communities where they are focusing their activities. A number of corporate funders can be sought that have funding motivations ranging from the fulfilment of their

community investment and corporate social responsibility commitments – especially those operating in the Broome region - to obtaining a tax deduction. Payments for delivered outcomes may allow some corporates to achieve both social and commercial returns, as well as enabling industry

partners to monitor and evaluate social impacts resulting from their activities in the region.

Our focus for potential social investors is corporates, philanthropic institutions and individuals, and asking them to invest in new models dealing in areas of intransigent social problems that to date have proved beyond the remit of Governments to deliver meaningful change. Ideally, Government can be brought in to underwrite part or all of the investment and in so doing provide some return to investors.

Developing the Broome Model was never going to be a simple process and, as is inevitable with developing ideas and models largely from scratch, there are always going to be the unexpected opportunities and challenges:

- Despite the recognition of the need and desire to change, the capacity of community organisations themselves to embark upon major changes in their business models has been a limiting factor.
- Getting engagement and leadership from the Yawuru Native Title holders has been more difficult than expected especially in the early stages of the process.
- The lack of interest from Government and some of its agencies in the potential for the Broome Model to deliver on their service obligations in the community.

Capacity building in the community organisations takes time and resources but organisations are committed to the process. The Kimberley Institute and Ernst & Young have played an important role working directly with several organisations to assist with planning and capacity. This has been complemented with a series of development workshops on social return on investment and other areas of change management.

The Yawuru Native Title Holders have become fully involved with the process and with engagement is coming recognition of the potential benefits for all concerned. It has presented an opportunity to refocus on the concept of YSEA (Yawuru Social Enterprise Alliance) that Yawuru had embraced

initially. The YSEA model is a good one and certainly worth reactivating as we progress the Broome Model. Government engagement has been problematic to date, but a concerted strategy of engagement with Governments and their agencies is being developed so that they might better understand the opportunity that exists with this collaborative approach. The influence of our corporate partners is important in this respect and we intend to develop a strategy around bringing that influence and access to bear on the public sphere in the future.