

Social Value Market Briefing Note

NSW Roadmap Tender Round 7 – Firming Infrastructure

Purpose

This briefing note is to provide detailed information to assist Proponents in preparing quality Bids that address the Social Value Merit Criteria specifically for Tender Round 7.

This briefing note should be read along with the relevant Tender Round documentation, including the Tender Guidelines, NSW Renewable Energy Sector Board Plan and the First Nations Guidelines.

ASL, as the Consumer Trustee, must consider these documents when conducting, assessing, and making recommendations in Tender Rounds. The Tender Guidelines, for each Tender Round, prevail in the case of any inconsistency with this note. Capitalised terms have the meaning given to them in the Tender Guidelines and MC4 Returnable Schedule (as applicable).

Key principles when developing social licence commitments (SLCs)

For Tender Round 7, Proponents are encouraged to adopt a strategic, place-based approach to social value, one that goes beyond isolated initiatives to contribute meaningfully to collective, long-term benefits for communities. When developing, co-designing, or shaping their SLCs, Proponents should:

- Ensure commitments consider local need, and where possible align with local and regional initiatives, programs and partnerships to maximise collective impact.
- Focus on outcomes that are meaningful and proportionate to the Project's scale and context.
- Consider how social value benefit realisation can be sustained beyond project delivery.

Why is it important Proponents invest in social value?

Social value refers to the additional social, economic and environmental wellbeing benefits that can be achieved in the delivery of Projects, that support improve local social and economic outcomes for First Nations and local communities.

To maximise impact and the secure delivery of meaningful outcomes, social value needs to be fully embedded across the Project lifecycle, from its earliest stages to final completion.

Investing in social value allows Proponents to:

- Key in delivering the NSW Government Electricity Infrastructure Roadmap and ensuring whole-of-system benefits.
- Strengthen community relations and social value benefit realisation.
- Build supply chain and workforce capacity for future Projects.
- Early investment in social value can improve local acceptance, approval, operations and reduce commercial risks of delay.
- Fostering and enabling local community support, employment opportunities and sharing benefits in regional areas is a foundational principle of the Electricity Infrastructure Roadmap and the development of the Renewable Energy Zones (REZs). ASL is committed to supporting Proponents to deliver social value outcomes.

Understanding Local Needs

SLCs are most effective when grounded and aligned with local community needs and priorities. Proponents should consider and review the following before developing SLCs:

- Reviewing outcomes from previous or ongoing engagement, local needs assessment, impact assessments or social economic data for the Project location.
- Local government strategies, economic development plans, community strategic plans or First Nations Guidelines.
- Consider how Project commitments may align with local and regional development strategies, existing economic participation initiatives, and other social value programs in the Project area or region.
- Identify the key gaps in local community and business capacity and capabilities, using research and reviewing credible data sources.

Collective Impact

Collective impact refers to the positive change achieved when multiple partners or contributors work towards a shared goal through aligned action.

Proponents are encouraged for Tender Round 7 to consider how their SLCs can complement and amplify efforts across government, industry and community to deliver coordinated and place-based outcomes. This could include:

- Contributing to or scaling up existing community, training or inclusion programs.
- Partnering with local organisations to deliver social value commitments.
- Align with regional workforce development, industry participation or place-based strategies.
- Avoid duplication by collaborating with other programs.
- Align with existing community priorities and strategies

Theory of Change

A Theory of Change (ToC) can help Proponents clearly set out a logical pathway that establishes how commitments and associated activities will lead to meaningful outcomes, and long-term impact. The following table outlines the key elements of a ToC to consider:

Theory of Change	
Input	The resources or enablers required to deliver commitments (e.g. Funding, staff, partnerships, or access to data, etc).
Activities	The specific actions or interventions you will deliver to support the commitment (e.g. training programs, meet the buyer sessions, community workshops, etc).
Outputs	The immediate and tangible results of the activities (e.g. what is delivered, who has it reached, etc).
Outcomes	The short to medium changes that result from your outputs (e.g. people gaining jobs, suppliers accessing opportunities, improved local skills, etc).
Impact	The long term change your commitment contributes to (e.g. reduced unemployment, increases local economic participation, stronger community relationships, etc).

Social Licence Commitment requirements

ASL expects that as the market evolves and the workforce and supply chains mature, commitments to social value will also improve. SLCs will be assessed on a relative basis in each Tender Round.

Where a Proponent is unable to meet a baseline requirements informed by the [NSW Renewable Energy Sector Board Plan](#) their Bid may be scored lower relative to Bids that are able to commitment to these requirement. Proponents may seek to strengthen their Bid by:

- Providing detailed justification for not meeting a baseline requirement, including a demonstration of effort to understand the local needs of market and community, and providing evidence of broader organisational strategies and/or historical experience to deliver against similar requirements.
- Demonstrating historical efforts towards social value benefit relations and regional economic development initiatives.
- Leveraging the optional tables in the MC4 Returnable Schedule to make supplementary commitment with align with the policy intent of the Social Value merit criteria.

Projects under construction or in operation

Where a Project is under construction, constructed and/or in operation, Bids will be assessed on the same basis as Projects that are still under development. In these circumstances, Proponents that demonstrate historical efforts towards building social value (e.g., shared benefits, land use considerations and regional economic development initiatives) and/or extensive efforts during operation and maintenance will be assessed favourably. These Proponents may seek to strengthen their Bids by utilising the optional tables in the MC4 Returnable Schedule to outline other commitments which achieve the policy intent of the Social Value merit criteria.

Examples of Good Practice

The following are examples of good practice for SLCs relative to the scale of firming Projects. Proponents are encouraged to consider the scale, location, and context of their project when developing commitments, ensuring they are tailored to the specific community and project.

Tender Round 7 - MC4 – Social Value (Firming)		
Element	Policy Intent	Examples of good practice for firming projects
Understanding local needs	To develop place-based understanding of local community and First Nations priorities, and needs, supported by socio-economic data and evidence.	<ul style="list-style-type: none"> Review existing plans such as regional development strategies, community wellbeing plans, and First Nations community priorities. Analyse demographic and socio-economic data to identify gaps or challenges in employment, health, education, etc. Map existing initiatives and services to identify where your Project can complement or fill gaps.
Local supply chain development	To maximise local content over time and to incentivise Projects to proactively source local content or incorporate local content where possible.	<ul style="list-style-type: none"> Procure materials, services, or logistics support from businesses within 50km of the Project. Break up work packages into smaller packages such as fencing, landscaping, security services, and fleet vehicle maintenance. Simplify contract and payment terms to support local and First Nations businesses. Host an industry briefing to connect with local suppliers and subcontractors. Use local providers for catering, advertising, printing, uniforms, or signage. Engage regional SMEs for minor works or support services. Collaborate with local business networks to promote upcoming procurement opportunities. Collaborate on circular economy opportunities for the renewable energy industry.
Employment and workforce development	To encourage investment in education, training and capacity building to support the development of the renewable energy workforce.	<ul style="list-style-type: none"> Offer short-term work experience or site placements for local jobseekers. Partner with local employment providers to promote roles and recruit diverse candidates. Provide on-the-job training or mentoring for a junior employee or apprentice. Deliver a careers or energy industry information session for local schools or training centres. Participate in local employment roundtables, fairs, or skills-building initiatives.
Community shared benefits	To encourage the establishment or support of programs and/or initiatives that have long-lasting	<ul style="list-style-type: none"> Sponsor an existing community event or initiative aligned with Project themes.

	positive impact on the community.	<ul style="list-style-type: none"> • Provide in-kind professional advice (e.g. safety, logistics, engineering) to a local Project. • Support a local community foundation with a small grant. • Sponsor educational programs such as university courses, apprenticeships, TAFE and VETs to support future workers • Collaborate with another infrastructure project in the region to deliver a joint community benefit (e.g. co-fund a facility or learning program).
First Nations participation	To support meaningful participation for First Nations communities, and businesses that reflect key priorities, and aspirations.	<ul style="list-style-type: none"> • Procure goods or services from at least one First Nations-owned business (e.g. catering, artwork, signage). • Collaborate with the local Land Council or ranger group on cultural heritage input. • Sponsor a local First Nations youth or cultural program through small grants or in-kind support. • Contribute to an existing First Nations-led initiative (e.g. youth, language, land care).

What Proponents need to know about the MC4 Returnable Schedule

Flexibility in MC4 Returnable Schedule

ASL recognises that to maximise social value, local community benefits and economic development, flexibility towards local constraints and Project characteristics is necessary. ASL has considered how flexibility can be enabled throughout the tender to support Proponents in delivering social licence outcomes.

Optional tables have been included in the Returnable Schedules to provide a degree of flexibility to Proponents to offer additional SLCs beyond the framework provided. The optional tables enable Proponents to further strengthen their Bids by making supplementary commitments to support initiatives and/or programs which align with the policy intent of the merit criteria.

The optional tables may be utilised for Proponents that have unique and innovative local shared benefit initiatives that do not fit neatly within the parameters provided in the standard tables and/or may require different milestones or measures. Any commitments provided in this table should include clear milestones and be capable of becoming contractually binding upon award.

Expression of values in the MC4 Returnable Schedule

Proponents must provide firm values, in the form of percentages, in the MC4 Returnable Schedule that can be contractually binding upon award.

Bids that provide incomplete and/or inaccurate values will be assessed unfavourably. This includes values provided as a range. Where there is uncertainty, Proponents should provide the bottom of the range as a firm value and an explanation to describe the strategy to improve the value.

The MC4 Returnable Schedule requires the commitments to be expressed as a percentage of relevant Project metrics. These Project metrics have been set up in a proforma template for Proponents to populate. For example:

- Local content commitments are expressed as a percentage of the relevant Project cost (which is aligned to the values calculated in the MC4 Returnable Schedule, based on standard Project inputs provided by Proponents).
- Workforce commitments are expressed as a percentage of the Total Project Workforce.