



Side by Side Social Impact Bond

Annual Investor Report
Period ending 31 December 2024
Issued April 2025

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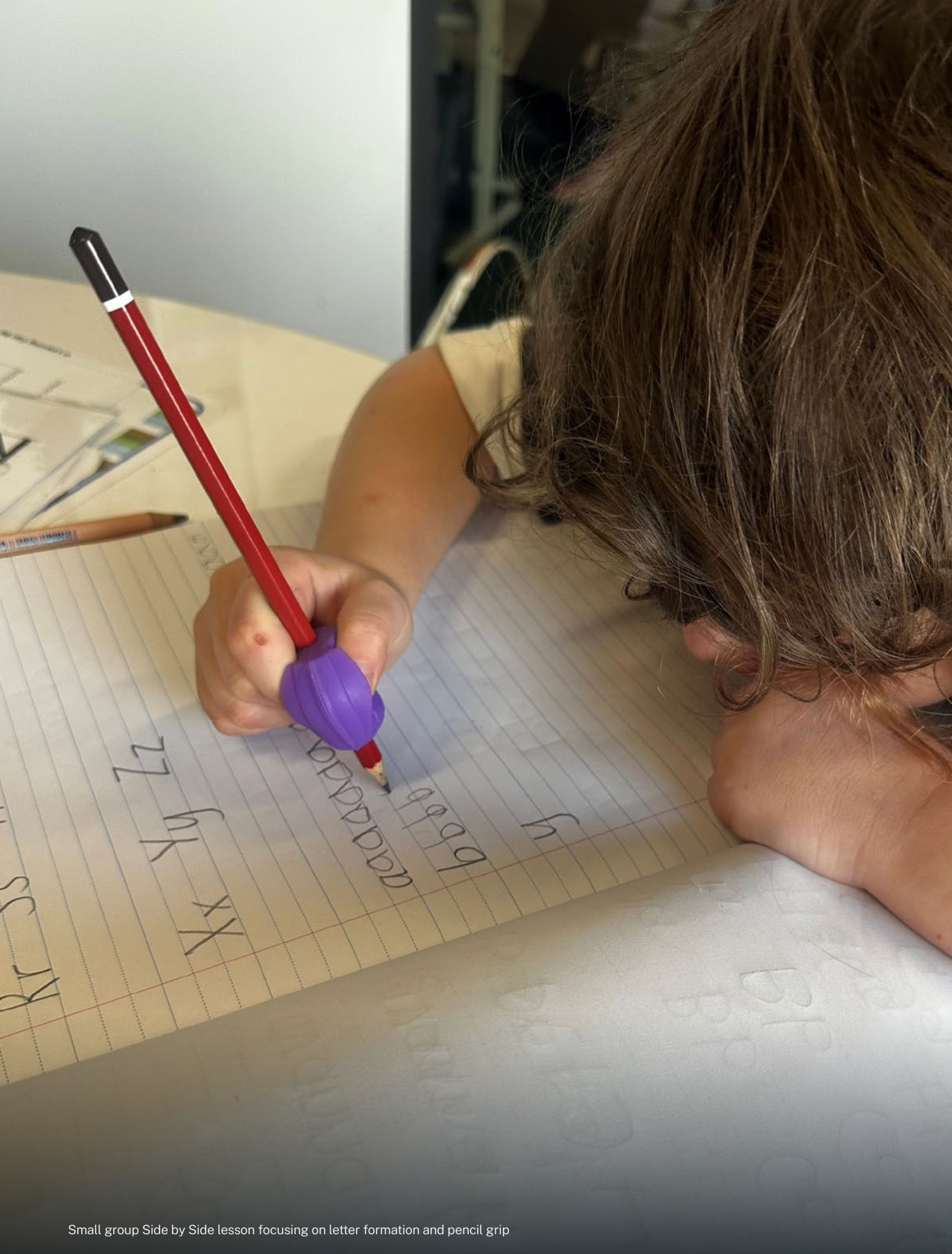
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Acknowledgement of Country

Social Ventures Australia acknowledges and pays respect to the past and present traditional custodians and elders of this country on which we work.

'After the Rains' by Richard Seden for Saltwater People, 2024.



Small group Side by Side lesson focusing on letter formation and pencil grip

Foreword

Dear Investor,

Social Ventures Australia is pleased to present the fourth Side by Side Social Impact Bond (**Side by Side SIB**) Investor Report.

Over its first four years, the Side by Side Program (**the Program**) has supported 219 students to improve their engagement, attendance and learning outcomes, which is 97% of the targeted figure. Around one third of students supported by the Program identify as First Nations. The Program has now finalised the enrolment of its fifth and final cohort.

Despite the perceived benefit of the Program by school staff, families and students, the Overall Attendance Improvement across the first four cohorts is **10.16%**, which is below the target figure of 22.00%. The attendance improvement rates for both the Intervention and Monitoring Year students in 2024 (**-6.63%** and **-7.35%** respectively) show that on average students are absent for more days than the counterfactual, which is well below the 'Underperform scenario'. As a result, both a Counterfactual Review and Performance Review were triggered at the fourth Measurement Date on 31 December 2024.

Despite these results, many individual students (56% of students in their Intervention Year) have demonstrated improvement relative to their own Counterfactual Days Absent. The measure is also sensitive to a small number of individual students with high absent days.

The Joint Working Group, consisting of representatives from Berry Street, VACCA, Social Ventures Australia, the Department of Education and the Department of Treasury and Finance, are exploring the underlying reasons for these results as part of the contractual reviews. This includes exploring whether the counterfactual continues to represent a fair and accurate baseline against which to measure performance, and whether there are any drivers and potential remedies for underperformance. A negotiation period will follow the contractual reviews to determine whether any amendments or variations to the Implementation Agreement are required. It is anticipated that the review and negotiation process will be concluded by the end of June, at which point an update will be provided to Investors.

We trust that the stories and information shared in this report will provide useful insights into the Side by Side journey to date.

Kind regards,



Elizabeth Caldwell

Director, Commissioning for Outcomes, Social Ventures Australia



Patrick Bollen

Associate Director, Commissioning for Outcomes, Social Ventures Australia

Side by Side SIB overview

The Side by Side SIB funds the delivery of the Side by Side Program in Victoria, which is delivered by Berry Street Victoria Incorporated (**Berry Street**) and the Victorian Aboriginal Child and Community Agency Co Op Ltd (**VACCA**), in partnership with the Victorian Department of Education¹ (the **Department**). The Side by Side SIB has a term of 6.25 years and utilises \$5 million of investor capital.

Side by Side Program

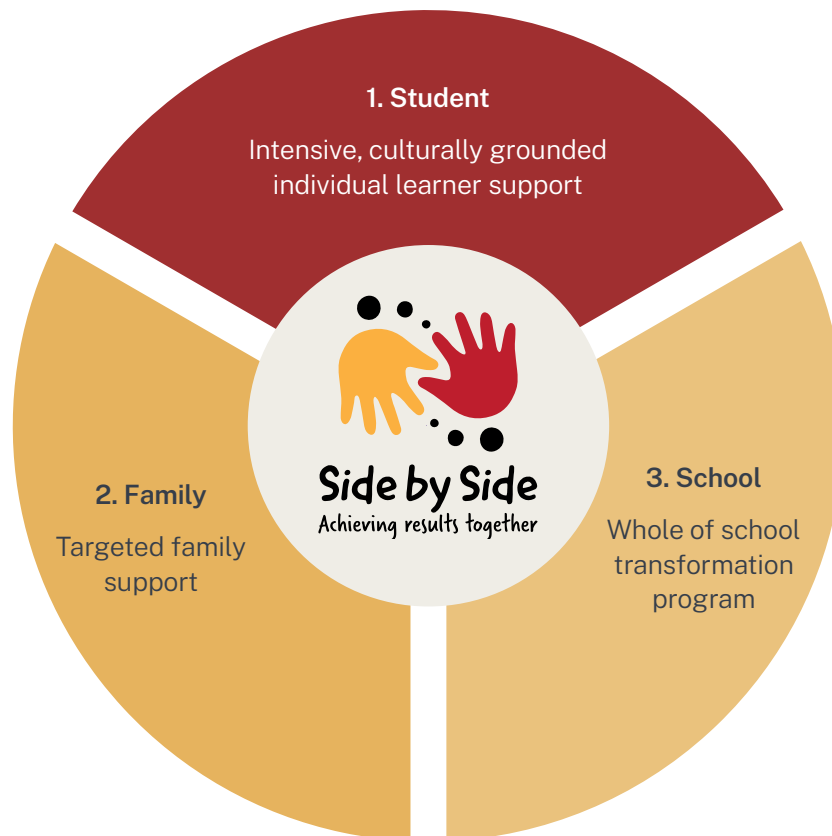
The Side by Side Program aims to support students in early primary school (Years 1 to 4) to increase their attendance and engagement at school, and to address key gaps in their learning. The Program prioritises working with First Nations students, who are primarily supported by Program staff from VACCA.

The Side by Side Program provides:

- 12 months of individualised family and student support and tuition (with an additional year of monitoring and follow-up support), aimed at supporting parent and family engagement and building the motivation and capacity of individual students to engage and learn at school; and
- a whole of school development and transformation program, aimed at helping schools to understand and apply a culturally sensitive, trauma-aware model of education.

The Program is designed to support students across their home and school life in an integrated and coordinated way.

Figure 1 Side by Side Program integrated model of support



¹ Formerly known as the Department of Education and Training until January 2023.

SIB overview

The Side by Side SIB is underpinned by an outcomes-based contract between the Department and Berry Street. Payments will be made to Berry Street by the Department based upon the level of improvement in participating students' school attendance over two years, measured relative to their attendance in the year prior to enrolment in the Program.

To fund the Side by Side Program prior to the receipt of the outcome-linked payments, Berry Street borrowed \$5 million from the Side by Side SIB Trust,² which in turn raised capital from investors through the issue of Notes.

Investor returns

Investors receive a 1.5% per annum Fixed Interest Payment over the first 5.25 years of the bond, and a Performance Interest Payment at maturity which is determined by the level of improvement in attendance, as is the proportion of principal repaid on maturity.

Under the assumptions set out in the [Side by Side SIB Information Memorandum](#) dated 22 October 2020, investor returns vary with the level of program performance as illustrated in Table 1.

Table 1 Side by Side SIB Noteholder returns under initial assumptions

	Underperform	Below Target	Target	Above Target	Outperform
Overall Attendance Improvement³	10%	16%	22%	28%	>30%
IRR (% per annum)	-1.6%	2.5%	6.0%	9.0%	9.9%
Performance Interest Rate	-	7.5%	30%	52.5%	60%
Principal Returned	85%	100%	100%	100%	100%

If performance is tracking below the Underperform scenario, an Early Termination may eventuate. The minimum proportion of investor principal which would be repaid in that circumstance is 70%.

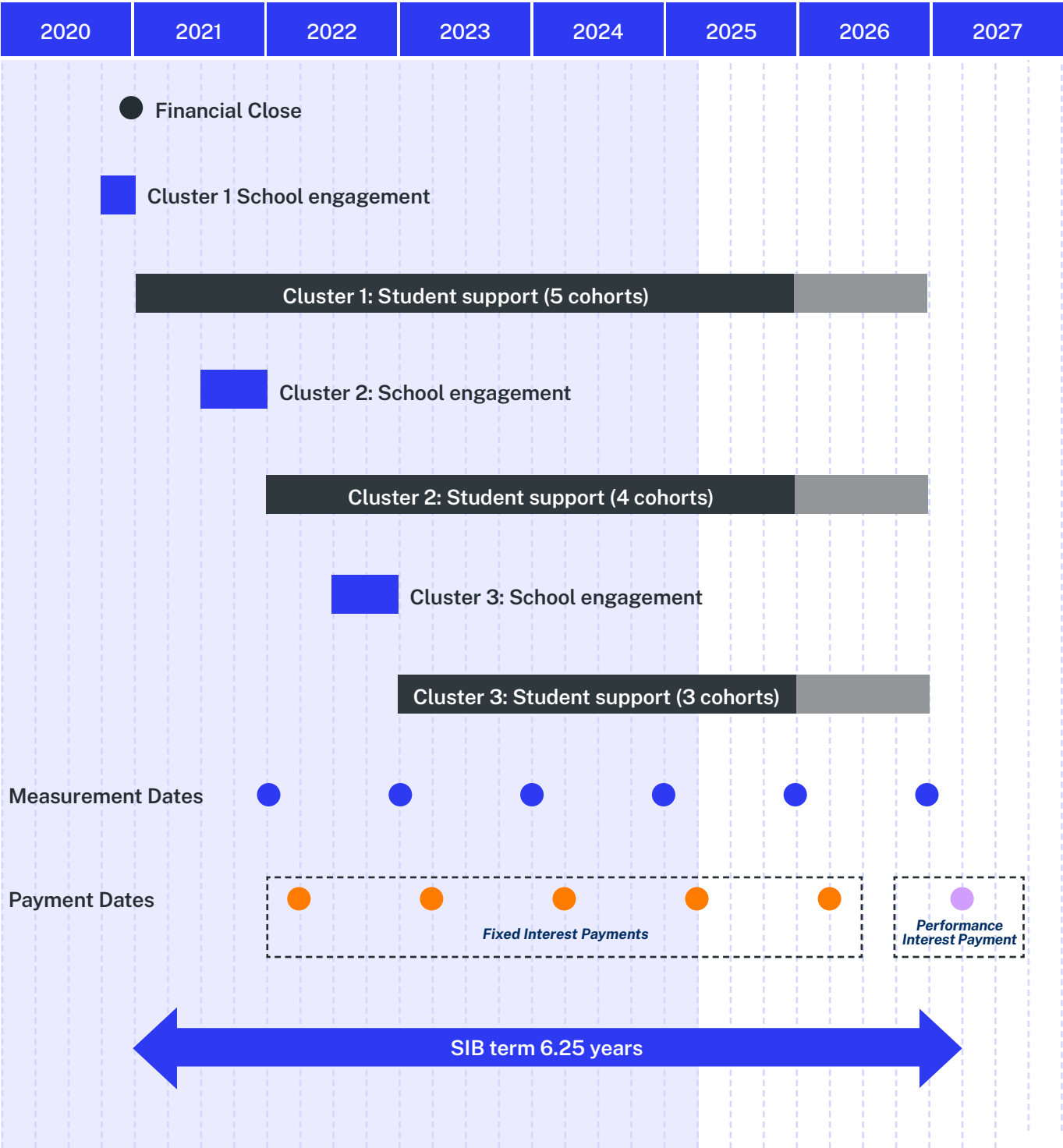
² The Side by Side SIB Trust (being SVA Nominees Pty Ltd as the trustee of the Side by Side SIB Trust) is the issuer of the Side by Side SIB, and is managed by Social Ventures Australia Limited.

³ Overall Attendance Improvement is the weighted average of attendance improvement for the Intervention Year (60% weight) and the Monitoring Year (40% weight), each of which measure the improvement in absenteeism for participating students relative to the year prior to their enrolment, adjusted for historical attendance patterns.

Timeline

The timing of student support, outcomes measurement, and investor payments is shown in Figure 2 below.

Figure 2 Side by Side SIB timeline



Thank you Side By Side for paying for camp.
I was so excited to go to camp. I had so much
fun at camp. I got to go on the giant swing,
and The Flying Fox, and the food at camp was
good.

Thank you letter from Side by Side student

Sam's story⁴

Sam is a student who has experienced struggles with dyslexia and feeling shame about being unable to read. Sam had many unmet learning and emotional regulation needs underpinning his dislike of school, impacting his attendance. Sam's father, who is unable to read himself, has always hoped his son would "learn to read, be more confident about going to school and be able to get a job one day".

Over the year, the Side by Side teacher supported Sam in two one-on-one literacy and wellbeing focused sessions each week. A turning point was finding a new series of graphic novels designed specifically for readers who were learning later than their peers. Sam has started to read independently and now wants to become a graphic novelist. This progress was so significant that the Side by Side teacher sent an email to the author telling him about Sam and the impact his books had on him.

Sam was amazed and excited to receive what was to become the first of many emails between himself and the author.

Dear Sam,

I am so thrilled to hear that you are enjoying the books... I am so glad to hear that you love coming up with stories and drawings for your own graphic novels. There are so many book creators out there who sometimes find reading and writing a little tricky, but they keep at it and manage to create some incredible stories. The most important thing is using your imagination to come up with a great idea. You can fix all the spelling afterwards! (But don't forget!)... Thanks again for reading my books. I'm so glad you're enjoying them.

From John

Dear John,

Thanks for replying with all your helpful information and ideas. I am going to read all of Books 1 to 6 again in the holidays... I am going to work on my book on the holidays too. I would be super happy to meet you sometime. Maybe I could show you what I have been doing?

From Sam

The emails between Sam and John continued throughout the year. Receiving tailored literacy support with appropriate resources helped Sam to discover that there were books he could read and enjoy. His confidence, engagement, and attendance at school have improved.

⁴ Consent has been given to share this story, and the individual's name has been changed to protect their privacy.

Program update

School engagement

The Program supports three geographic ‘clusters’ of schools. This includes nine primary schools across Northern Melbourne, Gippsland and Western Melbourne.

In its fourth year of implementation, increased awareness of the Program has created the opportunity for stronger relationships and trust in the Program. School staff, students, and participating families have shared their experiences with others, which has been important for building rapport and engagement.

“I want to take a moment to express our gratitude to you and the Side by Side team for your invaluable work at the school. The success we've seen with our students and families highlights the immense value of our partnership.” – Assistant Principal

School development

Side by Side is underpinned by a whole of school development and transformation program. Schools receive four days of professional learning in their first two years of engagement with the Program, in addition to ongoing consultation and masterclasses to help embed the learning. The training is designed to provide schools with the core knowledge and skills they need to develop a culturally responsive, strengths-based, trauma-aware educational approach that will support all students at the school.

Over the years, schools have become increasingly engaged with the Program’s whole of school development and transformation work. Six schools have completed their allotted professional learning days and the remaining three schools have scheduled professional learning days for 2025. All schools have scheduled extra, tailored training in 2025.

Schools continue to face challenges in prioritising the Program’s training alongside their mandatory learning requirements. In response, Side by Side has continued to adapt training content to the particular needs and constraints of individual schools. Adaptations span from considering the unique trauma and culture sensitivities within the school community, to the length and cadence of training sessions that will maximise school staff engagement. The bespoke nature of the Program’s training has been positively received by schools.

“I wanted to express my gratitude for your help in crafting a training plan that suits our needs while navigating the challenges of balancing desired outcomes with existing structures and processes. Our journey with Side by Side has been incredibly fulfilling, and we are keen to ensure it aligns seamlessly with our other curriculum priorities. It seems we've been successful in achieving this balance.” – Assistant Principal

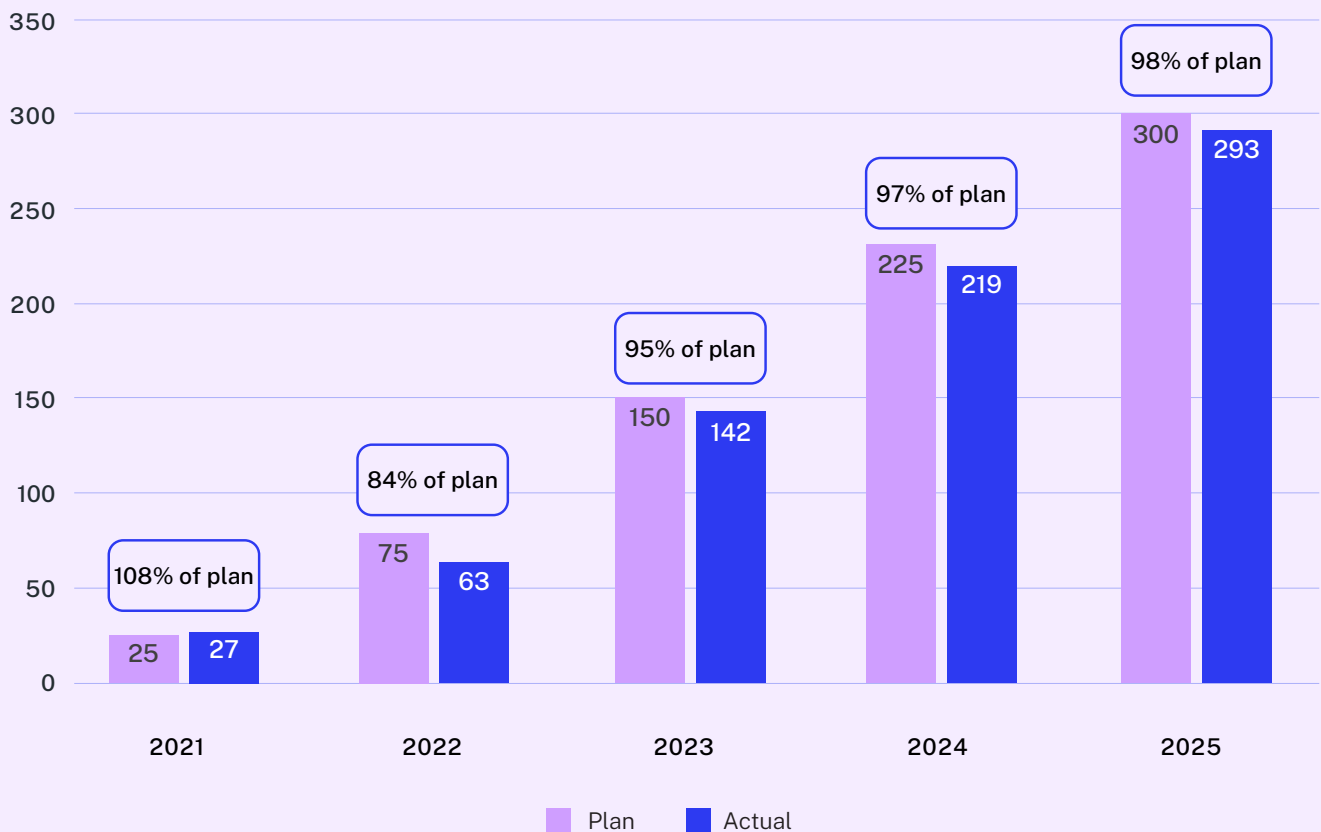
Student numbers

Enrolments

A total of 219 students were enrolled in the first four years (97% of plan). The proportion of planned enrolments has slightly improved from last year (95%). This sustained improvement compared to 2022 (when enrolments were 84% of plan) is due to changes to the referral process to reduce administration for schools, teach families about the Program earlier, and ensure that initial contacts with families are culturally safe. Enrolments for the fifth year of the Program have been finalised, with 74 students enrolled at the end of February 2025.

In total, the number of students enrolled in the Intervention Group is 293, which is 98% of plan.

Figure 3 Cumulative enrolments



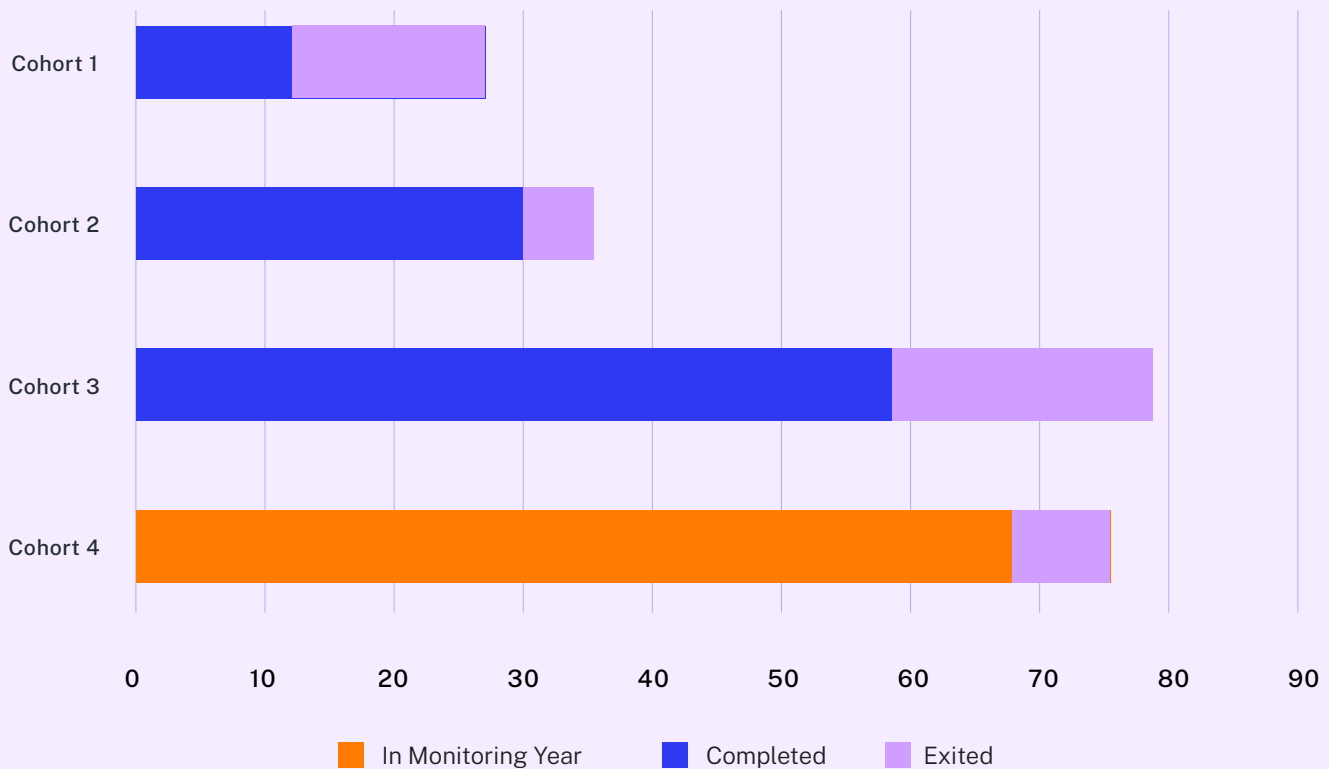
Movements

Of the 219 students enrolled in the first four years:

- 68 students have completed their Intervention Year and are now in their Monitoring Year
- 102 students have now completed their Monitoring Year
- 49 students have exited the Intervention Group

This is shown in Figure 4, where the cohort refers to the year of the Program that students were enrolled in.

Figure 4 Student movements



Students who exit the Program prior to June 30 in their Intervention Year or the end of Term 1 in their Monitoring Year due to allowable reasons will not be included in the Intervention Group for measurement purposes. These reasons include moving to a school not participating in the Program (including moving interstate or overseas), moving to a non-mainstream education setting, a Side by Side school no longer participating in the Program, or other complex circumstances which make attending school very difficult (for example, chronic illness). Students who exit after these dates are included up to their exit date.

19 students exited the Intervention Group during 2024. In total, 49 students have exited the Intervention Group over the first four years of the Program, reflecting an exit rate of 22%. This is higher than the anticipated exit rate of 12%. Key contributing factors include a school withdrawing from the Program at the end of the first year and a higher incidence of students moving schools than anticipated. Many families have shared with Program staff that cost of living and housing pressures are driving their decisions to move.

Of all exits to date, 67% have exited due to the student moving to a school not participating in the Program, 22% due to the school withdrawing from the Program, 6% due to complex issues making school attendance very difficult, and 4% due to parent(s) withdrawing consent from the Program.

Student profile

The following charts illustrate some characteristics of the Program's students enrolled in the first four years.

Figure 5 Gender

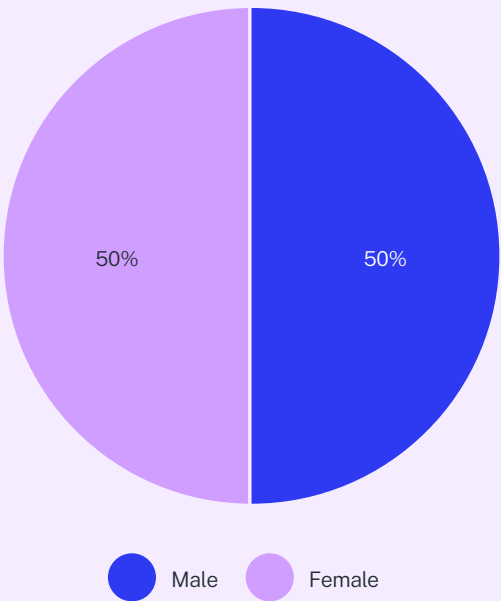


Figure 6 First Nations

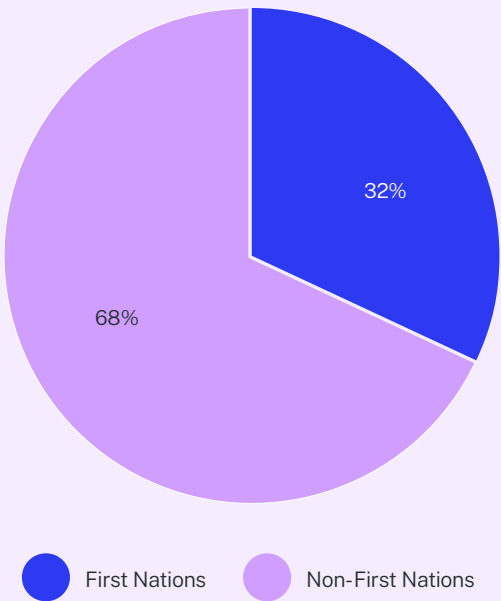


Figure 7 Referral year level

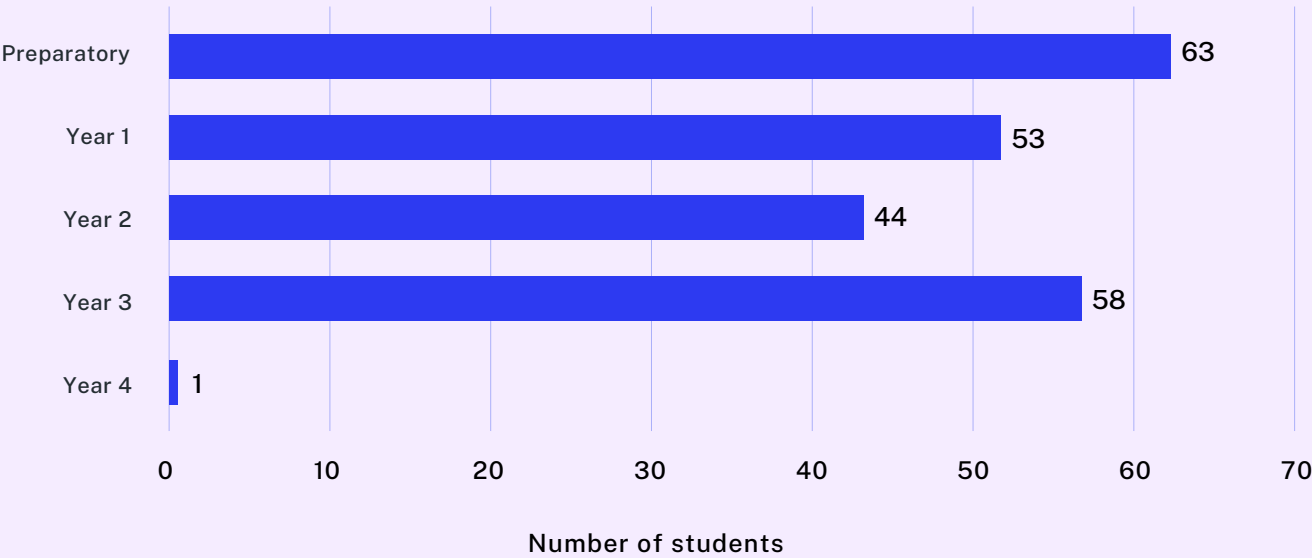
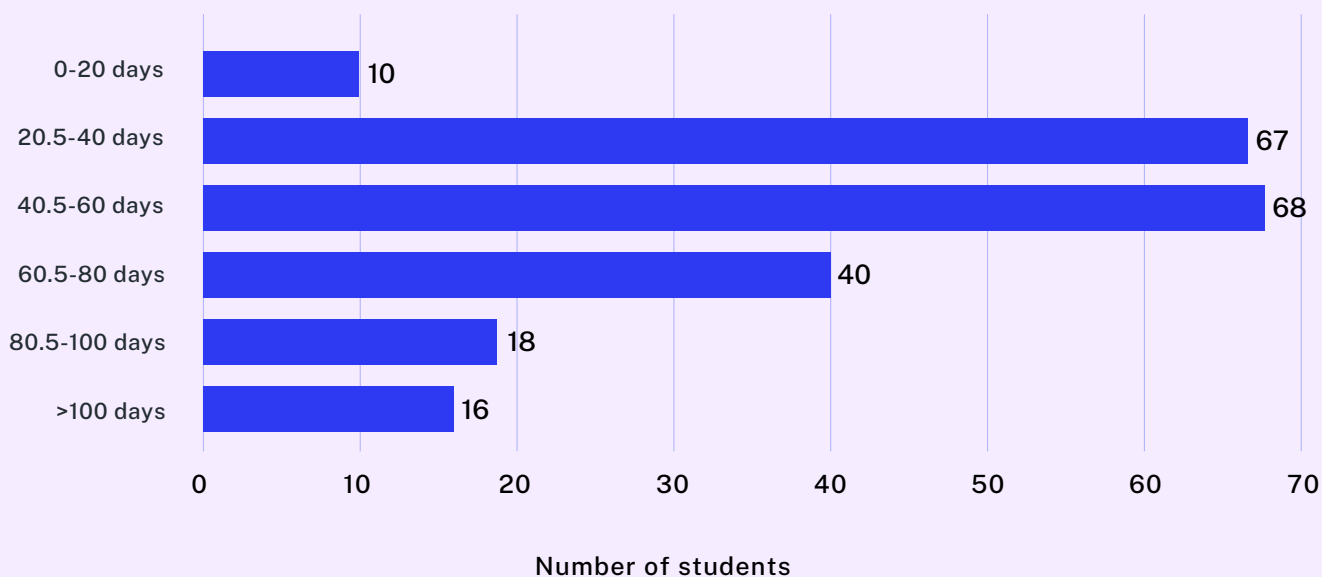


Figure 8 Absent days in Referral Year

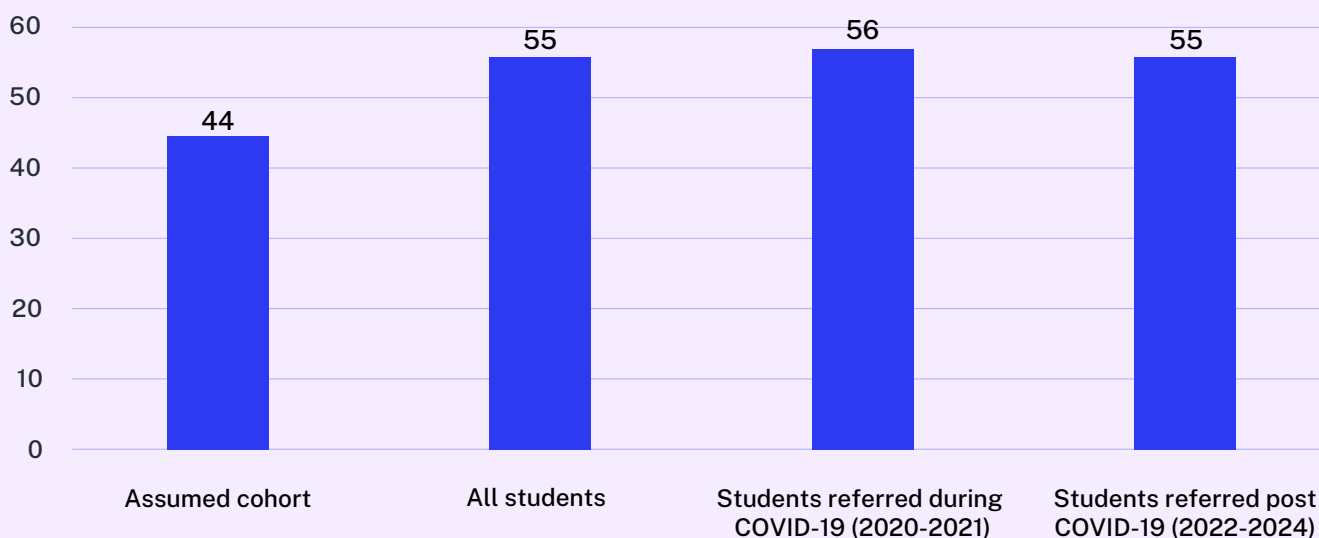


The proportion of First Nations students is higher than anticipated. Approximately one third of students identify as First Nations compared to the one quarter which was initially anticipated. The high proportion of First Nations students emphasises the importance of the partnership model between Berry Street and VACCA.

The 'Referral Year' is the school year prior to each student's participation in the Program. To be eligible for the Program, students must have been absent from school for 21 or more days over the first three terms of their Referral Year, or absent for 14 or more days over the first three terms and assessed as under-attaining.

Based on analysis of historical attendance rates for the target population, it was initially anticipated that on average each student would have 44 Referral Year Days Absent. The actual average has been 55 Referral Year Days Absent, as shown in Figure 9.

Figure 9 Average days absent per student in Referral Year



It should be noted that school attendance patterns during 2020 and 2021 (the Referral Years for the first two cohorts) were disrupted by COVID-19. However, the higher than anticipated number of Referral Year Days Absent has remained consistent post COVID-19. This reflects the ongoing high complexity and level of needs within the Side by Side cohort.



A Side by Side school engaged in whole school training

Munya's story⁵

Munya lives with their two younger siblings and paternal grandparents. They are well connected with Aboriginal culture and her grandparents are well respected elders in the community. The grandparents have experienced systemic racism and as a result can distrust services and institutions, which impacted Munya's early school experience. This year, there had been placement changes with Munya's younger siblings removed by the Victorian Child Protection Services (Child Protection) and returned within a few weeks. This has been very unsettling and disruptive for the whole family.

Since starting primary school, Munya has faced health challenges. This year, they experienced significant headaches which required numerous specialist appointments. Consequently, Munya missed many days of school. Inconsistent attendance has impacted Munya's learning and social relationships at school.

The Side by Side teacher has supported the class teacher to get to know Munya, their cultural strengths and family context, and to utilise trauma informed strategies. Munya participates in one-on-one and small group tutoring sessions, as well as lunchtime activities run by the Side by Side teacher that have a wellbeing focus and provide opportunities to develop positive social skills and relationships. Munya has been encouraged to 'find their voice' in the classroom and is supported to speak up at school.

VACCA's Family and Education Case Manager visits Munya's family regularly and supports family needs and requests, such as support to build a strong bedtime routine and holiday activities to continue learning and developing social skills outside of school term. They advocate for Munya's support needs at school and for the family with Child Protection. They have also supported Munya to attend cultural workshops and meet other Aboriginal students in the community through extra-curricular activities such as Koorie netball group.

⁵ Consent has been given to share this story, and the individual's name has been changed to protect their privacy.

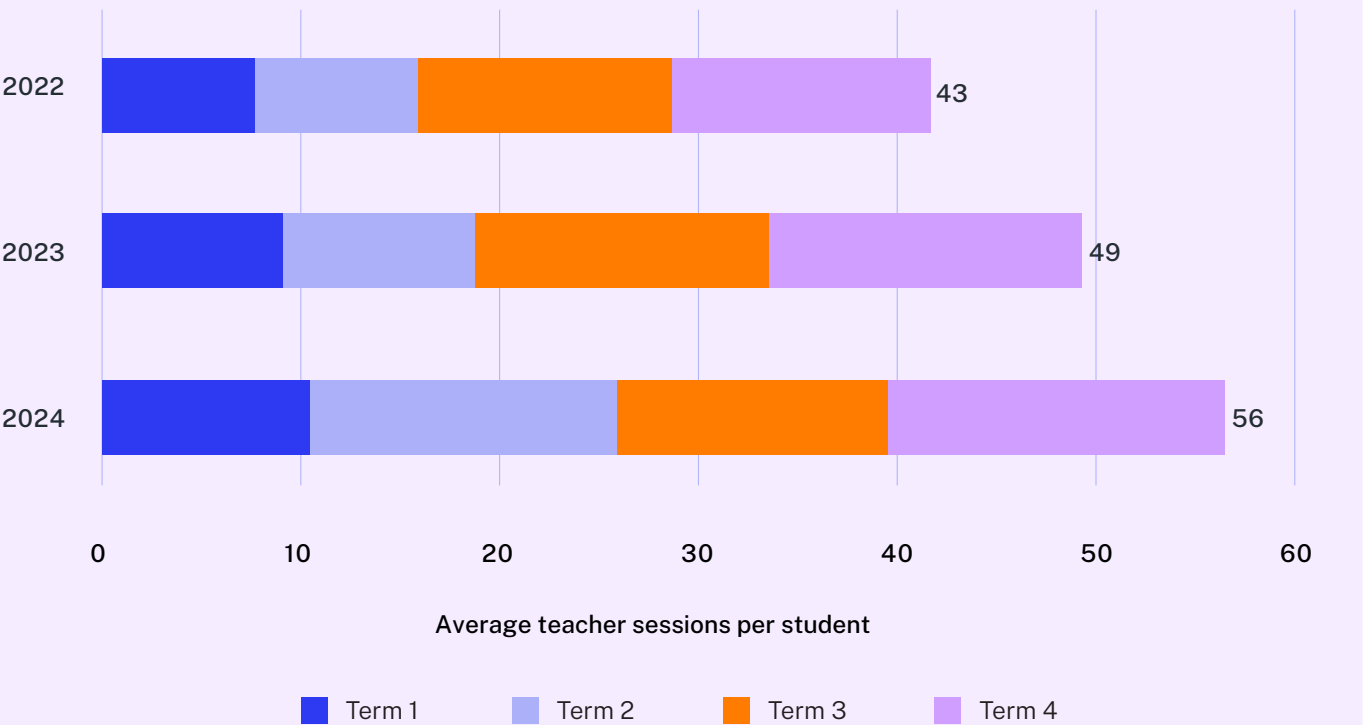
Student and family engagement

During 2024, the Program continued to embed a focus on in-person engagement following the early disruptions of COVID-19. Engagement has been supported by increased awareness of the Program as it becomes more established at schools and Program staff’s attendance at school and community events.

Student engagement

Side by Side teachers are based at schools two to three days per week and work with students in one-on-one, small group, and classroom settings depending on student needs. The average number of teacher sessions that each student receives in their Intervention Year has increased during the Program, as shown in Figure 10. Students received approximately 14 sessions per term on average in 2024, an increase from approximately 11 sessions per term in 2022.

Figure 10 Average teacher sessions per student per school year⁶



Students have also engaged with initiatives which Program staff have worked with schools to implement as part of their whole of school development and transformation. A key example of this is the Koorie lunchtime clubs implemented with VACCA’s leadership, which aim to support cultural connection and inclusion.

⁶ Teacher session data was not collected during the first year of the Program.



Painting a boomerang as part of a Koorie club session

Supporting cultural connection

In 2024, VACCA started running weekly Koorie lunchtime clubs at one of the Side by Side schools. This initiative was developed based on conversations led by VACCA's Family and Education Case Manager with parents and school leaders about how they would like to see opportunities for cultural connection created within their school.

The Koorie lunchtime clubs are open to everyone and are an opportunity to learn and celebrate Aboriginal cultures. Sessions begin by sitting in a circle with a wellbeing check and an acknowledgement of country. Discussions focus on students' identity, mobs and different language groups.

During Term 4, the lunchtime clubs completed several art projects including creating a welcome sign for the school, and decorating clapsticks which were then used for a special performance with the Yeng Galli Mullum singers to celebrate the school's 100 year anniversary. The students performed with the Yeng Galli Mullum singers and it was joyful to see children from different cultures having the opportunity to sing songs that celebrate Aboriginal experiences in language.

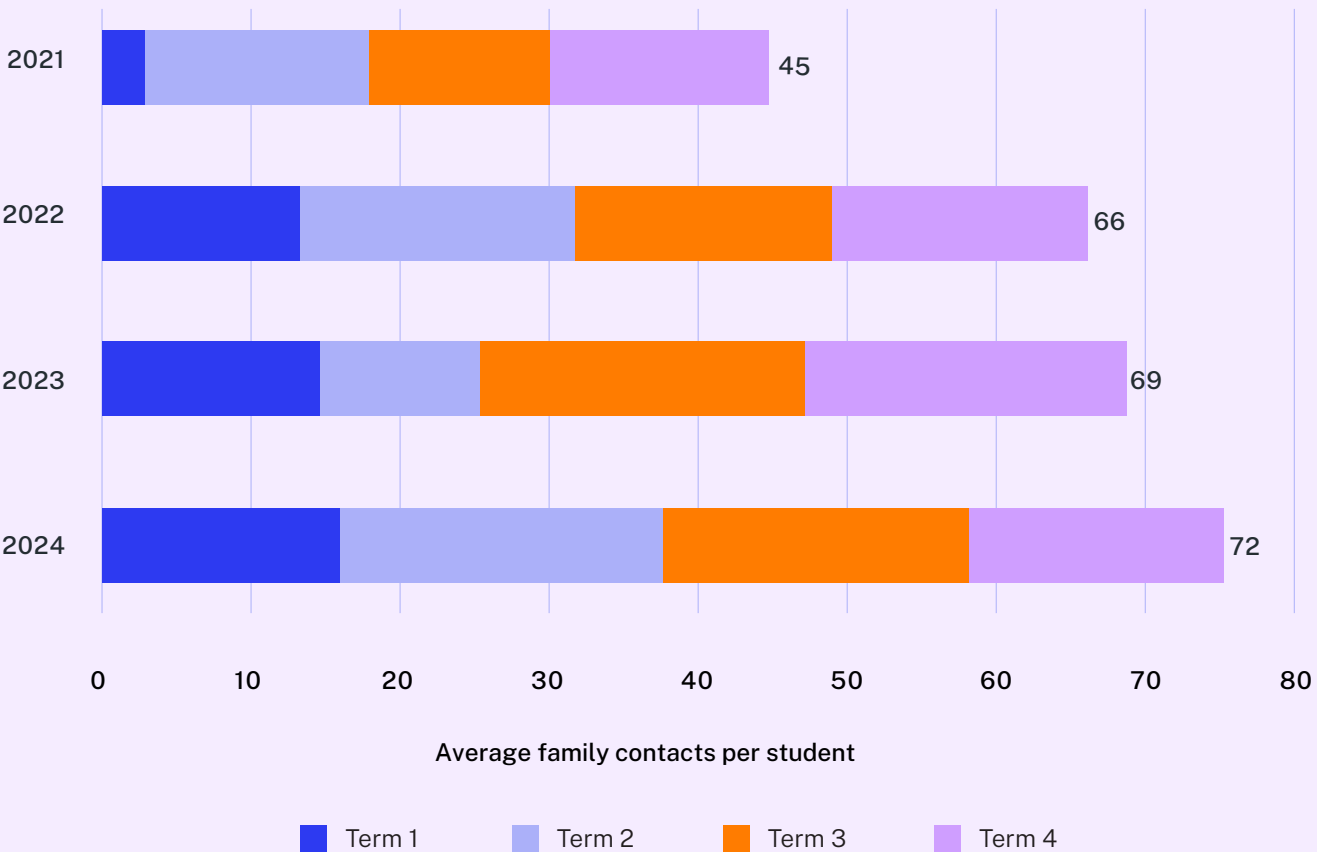
The lunchtime clubs have grown as more students tell their friends to come along. VACCA hopes that they can be an ongoing project with increased school ownership of the club and more opportunities for parents and carers within the school community to be involved over time.

Family engagement

In 2024, the Program continued its focus on in-person connection with families through increased outreach to homes. The ‘home connection’ that the Program offers is vital, because it enables ways of working with families that schools do not have.

The average number of family contacts for each student in their Intervention Year has increased over the Program, as shown in Figure 11. The average has almost doubled from approximately 11 contacts per term in 2021 to approximately 18 contacts per term in 2024. This has enabled Program staff to connect students and families to ongoing supports, with 71% of Intervention Year students in 2024 receiving at least one referral to help meet their needs.

Figure 11 Average family contacts per student per school year



Family engagement fluctuates throughout the year, depending on what support families need and their circumstances. The voluntary nature of the Program is emphasised, which also contributes to changes in family engagement from term to term. Some families have now had multiple children participate, which in general has increased the Program’s potential to help families to build their capacity to support their students’ attendance.



Welcome Womenjeka sign that the children painted for the school

Sarah's testimonial⁷

Sarah has three children who have been supported by Side by Side.

"I just wanted to let you know that we've appreciated your support over the last couple of years with the children. Your guidance has been invaluable. Thank you for your time and effort. You and the team have been extremely helpful, and we are grateful for your dedication and for going above and beyond.

You have always made us feel included and important. Always reaching out to see how we are doing as a family, asking how the children are doing, asking if there's anything that we need. We have always felt comfortable in sharing things and reaching out to you.

We have seen an amazing growth in the children since working with you and the team. They have become so much more confident and look forward to going to school. Conversations with the teachers and their reports show how much they've grown. You and the team have played such a big part in this, and we'd like to thank you so much.

The financial support you and the team have provided has been such a blessing to us and has helped us so much. Your guidance and support have helped navigate us, especially the children, through challenges they've had and achieve this success.

Thank you for your willingness to engage with us, provide information, constantly including us and trying to find things that can benefit our family and the kids.

I'm sad that the children will no longer be a part of your program, however, I am truly thankful for the opportunity they've had to work alongside yourself and the team. I'm hopeful that your program continues at the school so that other children and families can experience what we have.

Thank you again from the bottom of our hearts, we are truly blessed and grateful."

⁷ Consent has been given to share this story, and the individual's name has been changed to protect their privacy.

The majority of families (78%) were considered engaged in the Program for at least three out of four terms in 2024 (meaning that they regularly engage with Program communications and supports). 22% were considered disengaged by the end of the school year, which is a slight increase from the end of 2023 (18%). This is higher than the level of disengagement that was expected (10%), due to a number of factors including families engaging with Child Protection programs which may take priority over Side by Side, the complexity of families' circumstances (for example, family violence), and the needs of families reducing as student attendance increases.



Side by Side celebrates term attendance with a hands on learning activity

Program delivery and staff perspectives

During 2024, the Program experienced staffing shortages due to resignations, leave, and recruitment challenges across both Berry Street and VACCA. This has impacted relationships with students, families, and schools by reducing the level of engagement possible for some students and families and creating the need to develop new relationships.

Berry Street and VACCA have responded proactively to these challenges. For example, the vacancy of a VACCA Family and Education Case Manager role in Term 1 meant that seven First Nations students started receiving support in Term 2 of their Intervention Year rather than Term 1. VACCA managed this delay through clear communication to families. As a result the new VACCA Family and Education Case Manager was still able to support strong engagement with the Program throughout the rest of the year.



Chris Dawson,
Head of Berry St
Education Model

Chris Dawson has worked for Berry Street Education Model for over five years as a Senior Consultant, Senior Manager, and now as the Head of Berry Street Education Model. She has worked with over 40 schools across central Victoria delivering programs for students at risk of disengaging from school.

Chris has used this expertise to inform and further refine the whole of school development and transformation program to the unique context and learning needs of the nine schools participating in the Program.

“In 2024, we saw the increased uptake of whole school implementation with every school utilising a Berry Street Education Model consultant to refine practice of trauma-informed, culturally responsive strategies taught in the Program’s training.”



Bernadette Longin,
VACCA Senior
Program Manager

Bernadette Longin has worked at VACCA in Gippsland for over six years, with experience in Out of Home Care, Therapeutic Family Violence, Family Services, and Early Intervention.

Bernadette has used this expertise to ensure that the support VACCA provides as part of the Program is sensitive to each family’s individual context and provides opportunities to access other supports provided by VACCA and its partner community organisations.

“Side by Side has been a crucial part of VACCA’s Early Intervention service in supporting children in attending school.

In the Gippsland region there is a huge demand for school supports in empowering families and children in relationships and connections to their school community.

In Gippsland there were a number of barriers that prevented parents in encouraging their children to attend school on a regular basis, which Side by Side was able to navigate with families.”

Evaluation

The interim evaluation of the Program conducted by Deloitte Access Economics has been finalised. The evaluation examines the Program’s implementation, governance, and impact. Key findings include:

- School staff reported improved student readiness to learn due to the Program: 100% of the 34 school staff surveyed in 2023 agreed that the Program has contributed to improvements in student capacity to engage.
- Families reported increased interest in school and learning, with 57% reporting that their child is ‘often interested’ in school and learning in post-feedback forms, compared to only 13% at the start (pre-feedback forms).
- The Program creates additional value by providing flexible support and financial assistance to families (e.g., housing, medical, employment matters) to support school attendance, supporting students to participate in extracurricular activities, and providing targeted assistance to help students develop social skills and emotional regulation habits.

Outcomes

The outcomes data set out in this section are drawn from BDO's independent certification report for the 31 December 2024 Measurement Date.

Recorded Days Absent

School absenteeism for participating students is measured over two years:

- their Intervention Year (IY), which is their first year in the Program; and
- their Monitoring Year (MY), which is the following year.

Absences for students who exit the program prior to 30 June in their Intervention Year or the end of Term 1 in their Monitoring Year are excluded; thereafter they are included up to their exit date.

The cumulative Recorded Days Absent at the fourth Measurement Date are as follows:

- Intervention Year: 10,349 days
- Monitoring Year: 6,011 days

Intervention Year figures are in respect of the 204 students enrolled in Cohorts 1-4 who did not exit prior to June 30 in their Intervention Year. Monitoring Year figures reflect results for the 108 students who did not exit prior to the end of Term 1 of their Monitoring Year.

Counterfactual Days Absent

Absenteeism for the Intervention Group is measured against a baseline, or counterfactual, which is determined by:

- the attendance record for the Intervention Group members in their Referral Year; and
- a 'progression factor' based on historical absentee patterns for the target population. The progression factor is 88% for the Intervention Year and 85% for the Monitoring Year.⁸ As outlined in the [Side by Side SIB Information Memorandum](#) and the [2022 Annual Investor Report](#), the Referral Year Days Absent for the first two cohorts of students was 'deemed' at a level such that their Attendance Improvement (Intervention Year) is equal to the target performance level of 22%. The deeming approach was adopted because absenteeism during 2020 and 2021 was significantly affected by COVID-19 and therefore cannot be used to provide a reliable indication of the impact of the Side by Side Program. Actual Referral Year Days Absent have been used for the third and fourth cohorts.

Under this approach, the Aggregate Referral Year Days Absent for the first four cohorts is 13,941 days.

Accordingly, the cumulative Counterfactual Days Absent at the fourth Measurement Date are as follows:

- Intervention Year: 11,535 days
- Monitoring Year: 6,677 days

Intervention Year figures are in respect of the 204 students enrolled in Cohorts 1-4 who did not exit prior to June 30 in their Intervention Year. Monitoring Year figures reflect results for the 108 students who did not exit prior to the end of Term 1 of their Monitoring Year.

⁸ Illustrative example: if a student is absent for 50 days in their Referral Year, their Counterfactual Days Absent (IY) is 50 x 88%, or 44 days, and their Counterfactual Days Absent (MY) is 50 x 85%, or 42.5 days.

Table 2 shows the average days absent per student in their Referral Year, Intervention Year, and Monitoring Year for Cohorts 1-4. Averages have been adjusted for the proportion of the year included for exiting students.

Table 2 Average days absent per student

	Referral Year Days Absent	Intervention Year		Monitoring Year	
		Counterfactual Days Absent ⁹	Recorded Days Absent	Counterfactual Days Absent ¹⁰	Recorded Days Absent
Cohort 1	72 ¹¹	63	49	77	70
Cohort 2	104 ¹²	91	71	78	55
Cohort 3	63	50	45	42	45
Cohort 4	58	46	49	-	-
All	69	57	51	63	57

Attendance Improvement

The Attendance Improvement is calculated as follows:

$$\frac{\text{Aggregate Counterfactual Days Absent} - \text{Aggregate Recorded Days Absent}}{\text{Aggregate Counterfactual Days Absent}}$$

The Attendance Improvement results at the fourth Measurement Date are set out in Table 3 below, including the break-down of results for each of the enrolled cohorts to date. Investor returns are determined by the Overall Attendance Improvement, which is a weighted average determined as 60% of the Attendance Improvement (IY) plus 40% of the Attendance Improvement (MY).

Table 3 Attendance Improvement

	Attendance Improvement (IY)	Attendance Improvement (MY)	Overall Attendance Improvement
Cohort 1	22.00%	9.66%	17.06%
Cohort 2	22.00%	30.40%	25.36%
Cohort 3	10.18%	-7.35%	3.14%
Cohort 4	-6.63%	-	-
Total	10.28% ¹³	9.98% ¹⁴	10.16% ¹⁵

The Overall Attendance Improvement of **10.16%** is well below the target figure of 22.00%.

The Cohort 3 and Cohort 4 results are the first two years of results that use real data for both the counterfactual and recorded outcomes. The **-6.63%** Attendance Improvement (IY) for Cohort 4 and **-7.35%** Attendance Improvement (MY) for Cohort 3 show that on average students are absent for more days than the counterfactual, which is well below the 'Underperform scenario'.

⁹ Intervention Year Counterfactual Days Absent determined as Referral Year Days Absent multiplied by 88%.

¹⁰ Monitoring Year Counterfactual Days Absent determined as Referral Year Days Absent multiplied by 85%.

¹¹ Cohort 1 and Cohort 2 Referral Year Days Absent have been 'deemed' using the approach outlined on page 21.

¹² Cohort 1 and Cohort 2 Referral Year Days Absent have been 'deemed' using the approach outlined on page 21.

¹³ $\frac{\text{Aggregate Counterfactual Days Absent} - \text{Aggregate Recorded Days Absent}}{\text{Aggregate Counterfactual Days Absent}} = \frac{11,535 - 10,349}{11,535} = 10.28\%$

¹⁴ $\frac{\text{Aggregate Counterfactual Days Absent} - \text{Aggregate Recorded Days Absent}}{\text{Aggregate Counterfactual Days Absent}} = \frac{6,677 - 6,011}{6,677} = 9.98\%$

¹⁵ $(60\% \times 10.28\%) + (40\% \times 9.98\%) = 10.16\%$

It is important to note that this reflects the Program's aggregate results, and many individual students have demonstrated improvement relative to their own Counterfactual Days Absent. **56%** of students in Cohorts 3 and 4 improved their attendance in their Intervention Year. This improvement was sustained in the Monitoring Year for **53%** of students in Cohort 3, noting that this result is based on relatively small numbers (64 students allowing for exits) and should be interpreted with caution. Furthermore, the results are impacted by students with high absent days.

Over the coming months the Joint Working Group, consisting of representatives from Berry Street, VACCA, Social Ventures Australia, the Department and the Department of Treasury and Finance, will explore the underlying reasons for these results. This will include exploring three hypotheses – that the counterfactual does not represent an accurate baseline, the Attendance Improvement (IY) and Attendance Improvement (MY) measures are sensitive to students with high absent days, and the complexity of students supported is greater than was expected when targets were set.

Contractual Reviews

As outlined in the [Side by Side SIB Information Memorandum](#), the Implementation Agreement (the contract between the Department and Berry Street) allows for reviews to be undertaken if performance or enrolments are deviating materially from that expected. Both a Counterfactual Review and Performance Review were triggered at the fourth Measurement Date. The purpose and triggers for these reviews are outlined in Table 4.

Table 4 Review types and triggers

Review type	Purpose	Triggers
Counterfactual Review	Ascertain whether the counterfactual measures continue to represent a fair and accurate basis for measuring relative performance.	<ul style="list-style-type: none"> Attendance Improvement (IY) is less than 12%; or Attendance Improvement (IY) is less than 16% and Attendance Improvement (MY) is less than 12%
Performance Review	Examine the underlying reasons, and potential remedies, for the underperformance of the Program.	<ul style="list-style-type: none"> Attendance Improvement (IY) is less than 16% or greater than 28%.

As a result, the parties will work together to agree whether to continue the Implementation Agreement, including any changes to address the lower than expected performance. If the parties are unable to reach agreement on any changes to the Implementation Agreement, then either the Department or Berry St may terminate the Implementation Agreement. These negotiations commenced in February 2025 and are expected to finish by June 2025.

Under the terms of the Loan Agreement, Berry St cannot agree to variations to the Implementation Agreement that would impact on the Attendance Improvement (IY) or the Attendance Improvement (MY) or any payment to Berry St under the Implementation Agreement without the consent of SVA Nominees Pty Ltd in its capacity as trustee of the Side by Side SIB.

SVA will provide an update to investors once the Counterfactual Review and Performance Review and the subsequent negotiations have concluded.

Financial report

Interest Payments

Under the terms of the Loan Agreement, Berry Street will make Fixed Interest Payments to the Side by Side SIB Trust on or around 31 March each year from 2022 to 2026, and a Performance Interest Payment on or around 31 March 2027.

The Fixed Interest Payment paid by Berry Street on Interest Payment Date 4 was calculated as follows:

$$\text{Fixed Interest Payment} = \$5,000,000 \times 1.5\%$$

Accordingly, the Fixed Interest Payment from Berry Street in respect of Interest Payment Date 4 was **\$75,000**.

The Performance Interest Payment (**PIP**) due on or around 31 March 2027 will be determined as:

$$\text{PIP} = \$1,500,000 \times (\text{OAI} - 14\%) / 8\%$$

where:

- OAI is the Overall Attendance Improvement; and
- the PIP is subject to a minimum of nil and a maximum of \$3,000,000.

If the current Overall Attendance Improvement of 10.16% were to be maintained the PIP would be nil.

Coupon Payments

Coupon Payments to investors were made following receipt of the Interest Payment from Berry Street. Investors received a Coupon Amount representing their pro-rata share of the Interest Payment (or \$1.50 per Note on issue).

Early repayment

If the Side by Side SIB were to terminate following the Counterfactual Review or Performance Review, under the terms of the Loan Agreement 86% of principal will be repaid. In this event, the Final Fixed Interest Payment would be payable and determined as:

$$\text{Final Fixed Interest Payment} = \$5,000,000 \times 1.5\% \times n / 365$$

Where **n** is the number of days from Interest Payment Date 4 (31 March 2025) to the Assessment Date.¹³ No Performance Interest Payment will be payable in this event.

¹³ The Assessment Date is the date used for the purposes of calculating a principal or Interest Payment amount payable in the event of repayment under the Loan Agreement, being (as applicable) the Maturity Date, the Implementation Agreement termination date or the date notice of repayment is provided.

Maturity Repayment

At the Maturity Date, the proportion of principal that is repayable by Berry Street is determined as:

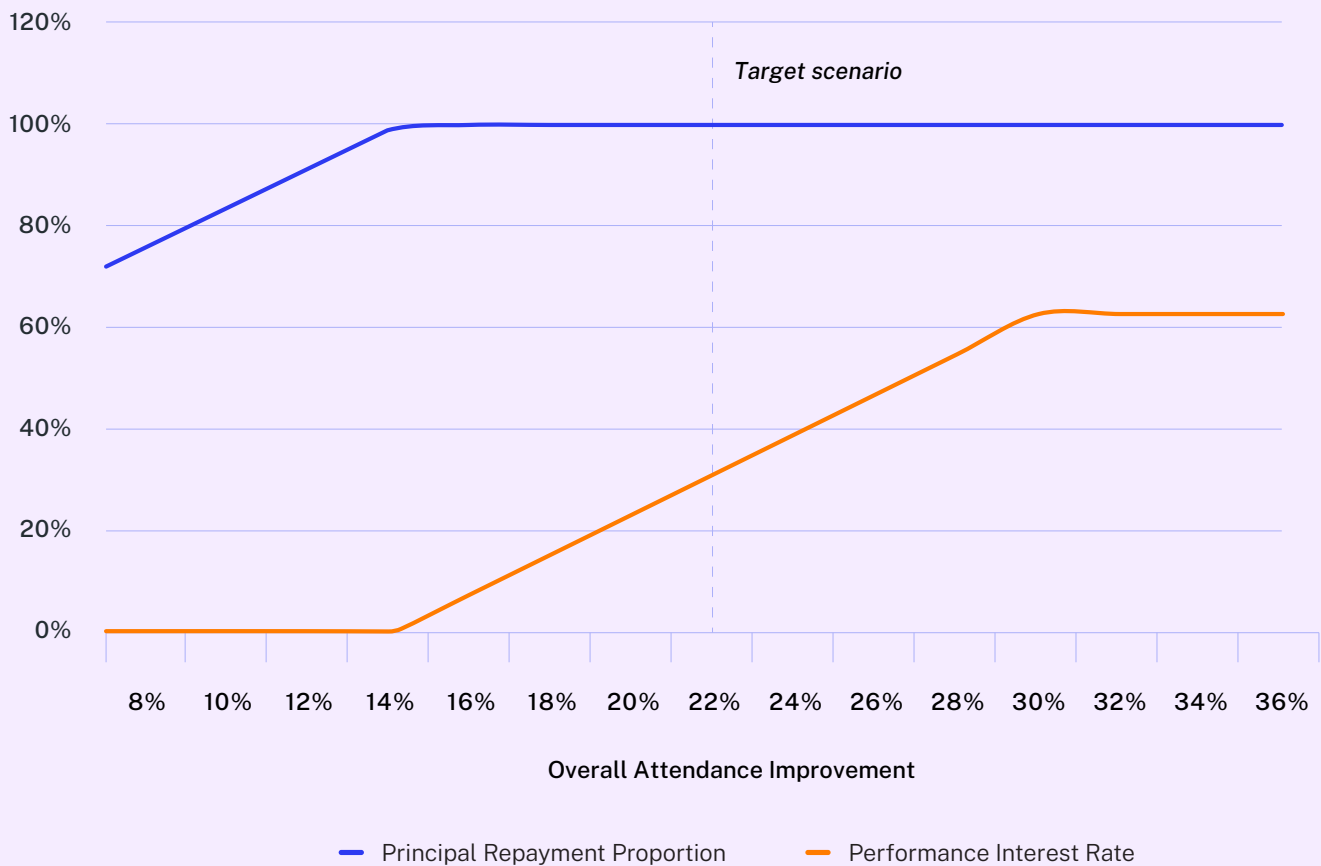
$$\text{Principal Repayment Proportion} = 50\% + (3.5 \times \text{Overall Attendance Improvement})$$

subject to a minimum of 70% and a maximum of 100%.

100% of principal will thus be repaid if the Overall Attendance Improvement at the final Measurement Date is greater than 14.30%. At least 70% of the principal will be repaid by Berry Street under every scenario.

Figure 12 shows the Principal Repayment Proportion and Performance Interest Rate as Overall Attendance Improvement increases.

Figure 12 Performance based payments under the Loan Agreement



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This document has been prepared by Social Ventures Australia Limited (ACN 100 487 572) (SVA) as the Manager of the Side by Side SIB Trust. Please refer to the Information Memorandum, SIB Deed Poll and Purchase Deed for the Side by Side Social Impact Bond dated 22 October 2020 for information on structure and terms. The information contained herein should be considered as indicative only and does not purport to contain all the information that any recipient may desire. SVA does not provide financial advice and recipients should seek independent financial advice. Further, statements in this report are not intended to be tax advice and investors should consult a professional tax adviser, if necessary, for tax advice required in connection with completion of tax returns.

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Social Ventures Australia

Brisbane | Darwin | Melbourne | Perth | Sydney | ABN 94 100 487 572 | AFSL 428 865

sidebysidesib@socialventures.org.au | socialventures.org.au