



The Hon Mike Baird MP

NSW Treasurer
State Member for Manly

MEDIA RELEASE

Friday 30 September 2011

NSW GOVERNMENT CALLS FOR EXPRESSIONS OF INTEREST ON SOCIAL BENEFIT BONDS

The NSW Government is today calling for Request for Proposals (RFP) from the private sector to develop two pilot Social Benefit Bonds in the areas of Out-Of-Home Care and Recidivism.

Treasurer Mike Baird said the pilot tender process encourages private investors to work collaboratively with the public and community to deliver real and sustainable solutions to important social challenges facing NSW.

A Social Benefit Bond is a new financial instrument in which private investors provide up-front funding to help community organisations to deliver improved social outcomes, with the objective of providing cost savings to government and returns to investors.

“This represents the first stage in developing an innovative solution to address key social challenges facing our State,” Mr Baird said.

“We acknowledge that this is a new and evolving market where significant collaborative work between the private sector and the Government will be required to develop a viable Social Benefit Bond for NSW,” Mr Baird said.

“Through the RFP process, the government is seeking to identify preferred proponents that we can work with to develop the two pilots.”

The RFP document released today on the NSW Government tenders website invites interested parties to submit proposals and demonstrate their capability to manage such a program.

The Out Of Home Care pilot will focus on offering parents support to take care of children without the need for foster care, which would reduce public expenditure, while the recidivism pilot will explore the extent to which prisoners can be assisted to return to society and not re-offend.

Mr Baird confirmed that the relative value for money and economic benefit of the proposed Social Benefit Bonds will be crucial in determining whether to proceed with the pilots.



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“The pilots must represent an effective use of public funds and value for money relative to other non-Social Benefit Bond funding options available to Government. This will be a key consideration in the RFP process,” Mr Baird said.

“A similar program in the UK has already shown promising results and we are excited by the potential of this innovative approach to deliver better solutions to the people of NSW,” Mr Baird said.

RFPs should be submitted on <https://tenders.nsw.gov.au/> by 9.30am AEST Thursday 24 November 2011, with preferred proponents expected to be notified in early 2012.