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MEDIA RELEASE

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NSW DELIVERS AUSTRALIA'S FIRST SOCIAL IMPACT INVESTMENT POLICY

The Baird Government has today launched Australia's first Social Impact Investment Policy as part of a bold new approach to providing long-term social and economic benefits for NSW while protecting the vulnerable.

NSW Premier Mike Baird and Treasurer Andrew Constance made the announcement at a forum in Sydney this morning, attended by key investors and members of the non-government sector.

"I want my Government to be the most innovative in Australia in delivering services and helping those less fortunate," Mr Baird said.

"We recognise that government cannot solve these challenges alone. By harnessing the innovation and capital of the non-government sectors, we can deliver better outcomes for our community and better value for taxpayers.

"The NSW Liberals & Nationals Government pioneered Australia's first two social benefit bonds and, if we are re-elected next month, we're committed to building on the momentum from their encouraging early results.

"Our target is to partner with investors and the non-government sector to develop two new social impact investments to go to market every year."

As part of the launch, the NSW Government has also released a Statement of Opportunities which outlines the potential areas for future social impact investments. They include the areas of:

- Managing chronic health conditions;
- Supporting offenders on parole to reduce their levels of re-offending;
- Managing mental health hospitalisations; and
- Preventing or reducing homelessness among young people.

In 2013, the NSW Government created two bonds seeking to deliver better services and results for families at risk:

- Newpin Social Benefit Bond – this bond funds the expansion of a UnitingCare Burnside program that works intensively with families to either safely return children in care to their families, or prevent children from entering care. With a principal of \$7 million, the bond targets a financial return of 10-12 per cent per annum for investors over its seven year term.

- Benevolent Society Bond – this bond funds services for up to 400 families over five years to help them deal with issues such as domestic violence, substance misuse, mental health, unstable housing and family functioning. The bond raised \$10 million in private capital.

Mr Constance said the NSW Government will build on the encouraging early results of these bonds to develop more innovative ways to support vulnerable members in the community.

“The Newpin bond has allowed UnitingCare Burnside to run intensive courses for parents, aimed at creating safe family environments to restore children from out-of-home care or prevent them from entering care in the first place,” Mr Constance said.

“In its first year, 28 children were successfully restored to their families from out-of-home care, while the Benevolent Society bond has also seen positive results in keeping families together.

“The NSW Government is striving to develop new and innovative ways to deliver services and supports to our community and social benefit bonds are an example of how we can do exactly that.

“Not only are we tapping into a new source of funding by partnering with investors, these bonds and other models of social impact investment transactions aim to deliver better social outcomes and financial returns to investors, while providing cost savings to government.”

Chair of the Social Impact Investment Expert Advisory Group, Peter Shergold AC, said the new policy marks an exciting new phase in the way social services are funded and delivered.

“The introduction by the NSW Government of Social Benefit Bonds has been one of the most innovative new approaches to public administration in Australia,” Mr Shergold said.

“I am delighted that the Premier and Treasurer are now intending to significantly enhance their commitment to social impact investment.”

The Social Impact Investment Policy and more information on Social Impact Investment is available at www.dpc.nsw.gov.au/sij.

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