



Social Investment Agency
Toi Hau Tāngata

SOCIAL INVESTMENT FUND MINISTERS

Social Investment Fund Ministerial Group: final papers for first meeting

Date:	19 June 2025	Priority:	Urgent
Security classification:	In Confidence	Tracking number:	SIA – 24/25 - 226

Recipient	Action sought	Deadline
Hon Nicola Willis Minister for Social Investment	Agree to circulate final papers to Social Investment Fund Ministers before the meeting scheduled for 26 June 2025	19 June 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Aphra Green	Aphra Green Deputy Chief Executive – Policy, Data and Insights	9(2)(a) [REDACTED]	✓

The following departments/agencies have been consulted
Ministries of Business, Innovation, and Employment, Education, Health, Housing and Urban Development, Justice, Social Development, Oranga Tamariki, Department of the Prime Minister and Cabinet, Public Service Commission, Te Puna Aonui, Te Puni Kōkiri, and the Treasury.

Comments:

Proactive released by the Social Investment Agency

Social Investment Fund Ministerial Group: final papers for first meeting

Purpose

This briefing seeks your agreement to circulate the final papers for the first meeting of the Social Investment Fund Ministerial Group, scheduled for 26 June 2025.

Recommended action

The Social Investment Agency recommends that you:

1. **Agree to circulate all final papers to Social Investment Fund Ministers**

Agree / Disagree

2. **Agree that the Social Investment Agency will proactively release these papers within 30 working days.**

Agree / Disagree

Aphra Green
Deputy Chief Executive - Policy, Data &
Insights
Social Investment Agency
19/06/2025



Hon Nicola Willis
Minister for Social Investment
19/6/2025

Proactive released by the Social Investment Agency

Background

1. On 13 June 2025, the Social Investment Agency provided draft papers for your feedback, ahead of the first Social Investment Fund Ministerial Group meeting.
2. We are now providing you with final papers and seeking your agreement to circulate these to Social Investment Fund Ministers before the meeting:
 - Social Investment Fund Ministerial Group – Meeting Agenda
 - Social Investment Fund Ministerial Group – Meeting Slides
 - Paper 1: Social Investment Fund Ministerial Group – Terms of Reference
 - Paper 2: Social Investment Fund – Setting outcomes and cohorts of interest
 - Paper 3: Social Investment Fund – Report-back on implementation

Next steps

3. Social Investment Fund Ministers are scheduled to meet on 26 June 2025. The Secretary for Social Investment and senior officials from the Social Investment Agency will attend in support.

Attachments

Annex One:	Social Investment Fund Ministerial Group – Meeting Agenda
Annex Two:	Social Investment Fund Ministerial Group – Meeting Slides
Annex Three:	Social Investment Fund Ministerial Group – Terms of Reference
Annex Four:	Social Investment Fund – Setting outcomes and cohorts of interest
Annex Five:	Social Investment Fund – Report-back on implementation

Social Investment Fund Ministerial Group

Agenda 26 June 2025

Members attending:

Hon Nicola Willis (Chair)

Hon Louise Upston

Hon Simeon Brown

Hon Karen Chhour

Apologies:

Hon Chris Bishop

Hon Paul Goldsmith

Hon Erica Stanford

Hon Tama Potaka

#	Item	Lead/Papers
1	Introduction and administration <ul style="list-style-type: none">• Agree <i>Terms of Reference</i>	Hon Nicola Willis Paper One: Terms of Reference
2	Setting outcomes and cohorts of interest for social investment <ul style="list-style-type: none">• Agree <i>outcomes and cohorts for the Fund</i>	Hon Nicola Willis Andrew Coster, Secretary for Social Investment Paper Two: Social Investment Fund - Setting outcomes and cohorts of interest
3.	Any other business <ul style="list-style-type: none">• Note <i>the implementation report-back</i>	Hon Nicola Willis Paper Three: Social Investment Fund: Implementation Report-back

Social Investment Fund Ministers

First meeting – agenda overview

26 June 2025



Social Investment Agency
Toi Hau Tāngata

Te Kāwanatanga o Aotearoa
New Zealand Government

Proactive released by the Social Investment Agency



Overview of agenda and decisions needed

1. Introduction

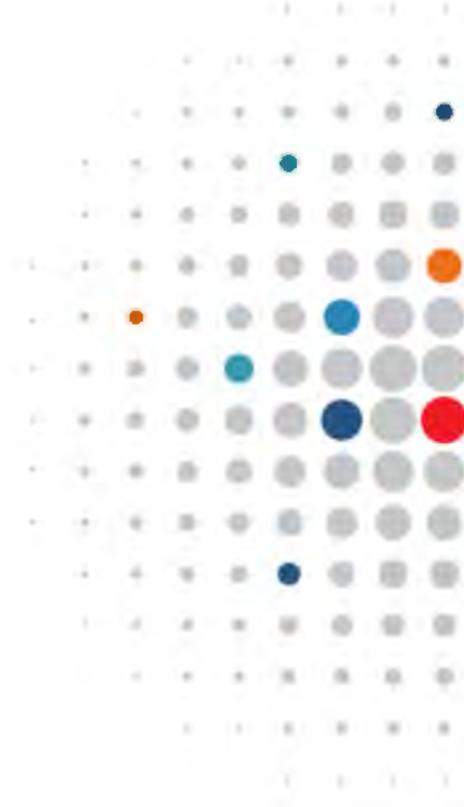
- **Agree** Terms of Reference for this Group

2. Direction for the Fund: Outcomes and Cohorts for the Fund

- **Agree** the outcomes
- **Agree** priority cohorts for the Fund for 25/26

3. Any other business

- **Note** Implementation report-back



The Fund is a key piece of shared architecture for the system

- It will invest in early interventions and support services that enable children, young people, and families to achieve a range of outcomes.
- It will also catalyse change – supporting communities, and social sector organisations to upgrade existing arrangements so that they align with the social investment approach.
- Social Investment Fund Ministers set the priority outcomes and cohorts for the Fund.



Setting priority outcomes and cohorts for the Fund is a key role for Social Investment Fund Ministers

The proposed priority outcomes, and cohorts:

- Set expectations for the Fund, and providers
- Require cross-cutting, long-term investment
- Reflect the things we are already committed to
- Are measurable using data we already collect
- Enable standardised, comparable measurement of the Fund's investments over time



We expect Fund investments to have a measurable impact on these outcomes

Improved health:

- Reduced serious health events
- Reduced potentially avoidable hospitalisations

Greater safety:

- Reduced need for children to be placed in state care
- Reduced violent crime
- Reduced youth crime
- Reduced family violence
- Reduced sexual violence

Ensuring stable and secure housing:

- Improved housing stability

Improving knowledge and skills:

- Improved attendance in education
- Improved qualifications

Growing income and wealth:

- Higher incomes

Supporting people into work:

- Increased employment
- Fewer people on the benefit



The Fund will improve **OUTCOME DOMAINS**¹ through investment in organisations and services



- Improved health
- Greater safety
- Ensuring stable and secure housing
- Improving knowledge and skills
- Growing income and wealth
- Supporting people into work

The Fund will invest to reach priority cohorts and support them (and others) to achieve priority outcomes.

The following **COHORTS** of interest are recommended for the Fund in Year One

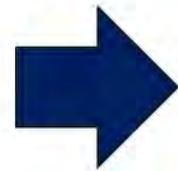


- Children of incarcerated parents
- Children of parent(s) who experienced the care system
- Children who are stood down or suspended when they were 12 or younger
- Children with ADHD and FASD
- Similarly-focused cohorts in future years

1. Outcome domains are shown. Each domain contains multiple outcomes.



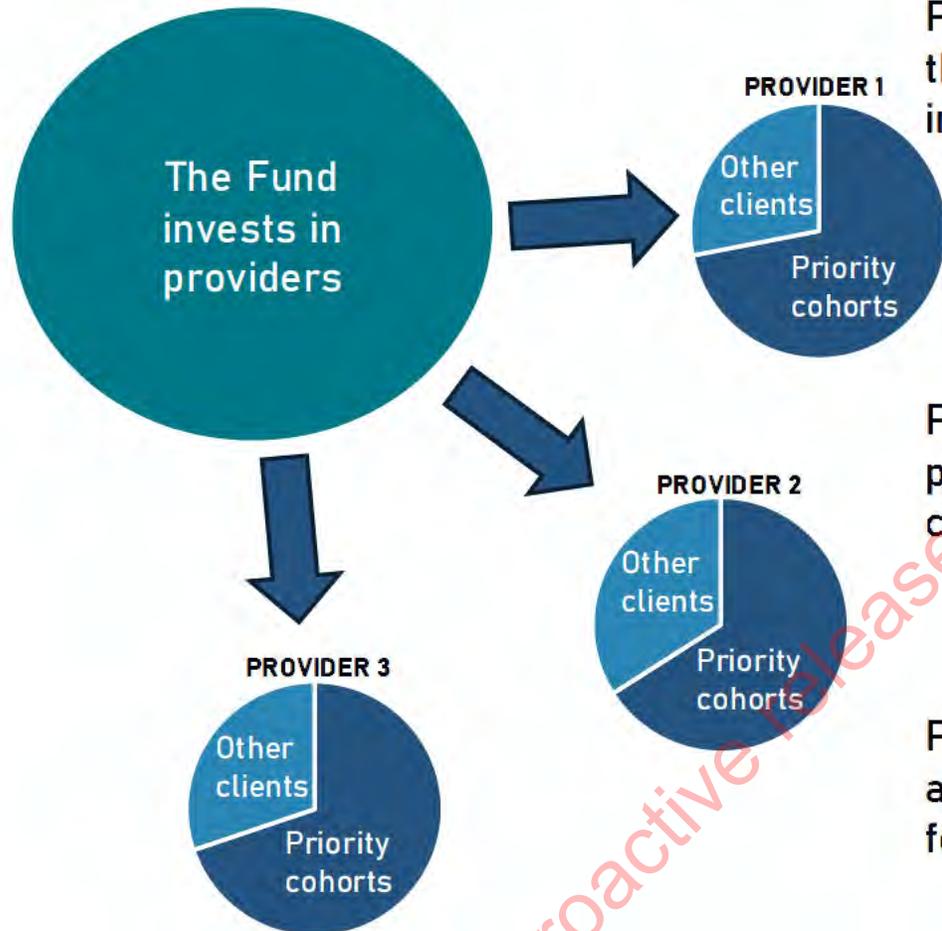
We will not know the full reach (which people are supported) nor impact (outcomes) until we have actual service data...



... but then we will have rich information on reach, and impact, which the Fund will report to agencies, and Ministers.



The Fund will invest in **PROVIDERS** whose clients include the **PRIORITY COHORTS** and who can deliver improved outcomes

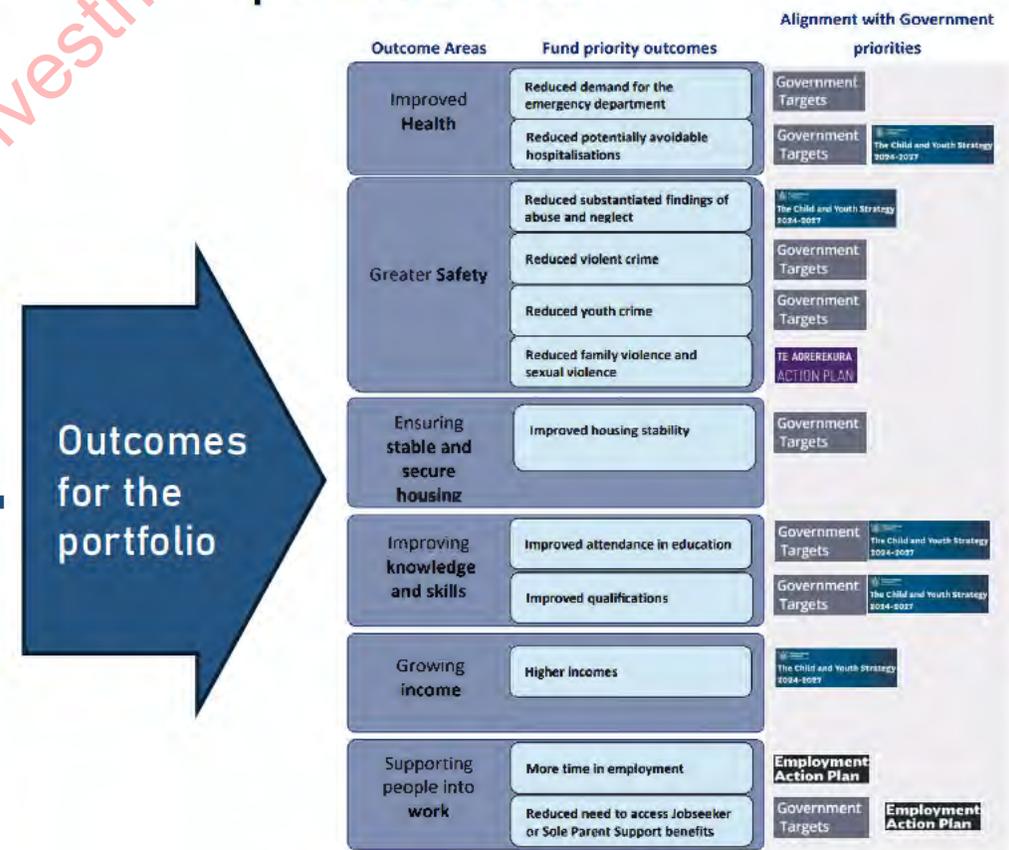


Providers can reach the priority cohorts in their client base

Providers deliver their programme to their clients

Providers measure and report outcomes for their clients

The Fund aggregates across providers to report **OUTCOMES** at portfolio level to understand impact at the portfolio level



The Fund will show the contribution of its investments to portfolio outcomes

This means:

- We learn about effects of providers on all prioritised outcomes, not only the primary targeted outcomes.
- We can produce an overall return on investment for the Fund.
- Ministers will have a clear view of what the Fund is achieving for the outcomes they are responsible for.
- We can continue to monitor long-term outcomes even after the contract completes, including intergenerational impacts.

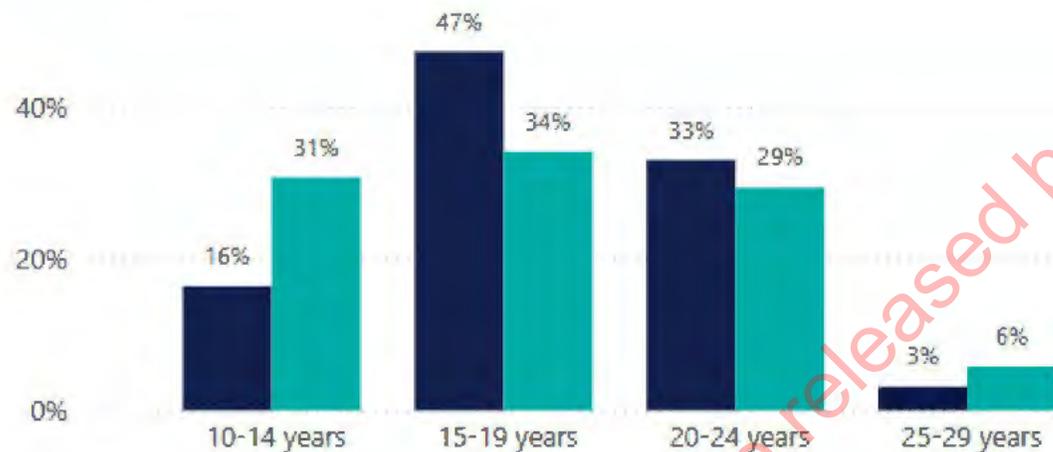
Domain	Outcome	Tranche 1		Tranche 2		Tranche 3
		Youth	Parents	Children	Parents	
Health	Reduced demand for the emergency department	-5%	-2%	-5%	-	-5%
	Reduced potentially avoidable hospitalisations	-2%	-1%	-2%	-	-
Housing	Reduced demand for Emergency Housing	-5%	-	-	-	-10%
Safety	Reduced need for children to be placed in state care	-2%	-	-0.5%	-	-5%
	Reduced violent crime	-10%	-	-	-	-2%
	Reduced youth crime	-12%	-	-	-	-7%
	Reduced family violence and sexual violence	-1%	-	-5%	-	-8%
Knowledge and skills	Improved attendance in education	+20%	-	+15%	-	+5%
	Improved qualifications	+5%	+2%	-	-	+2%
Work	Increased employment (number of months)	+0.5	+0.2	-	+1.0	-
	Reduced need to access benefits	-10%	-	-	-8%	-
Income	Higher incomes	+\$1,500	-	-	+\$2,000	+\$500

Data on reach and impact will be shared back with providers

- Data from providers allows us to understand cohorts, and measure outcomes.
- This data improves the quality of fund investments and is returned to providers to help them improve the services they provide to the people they support.

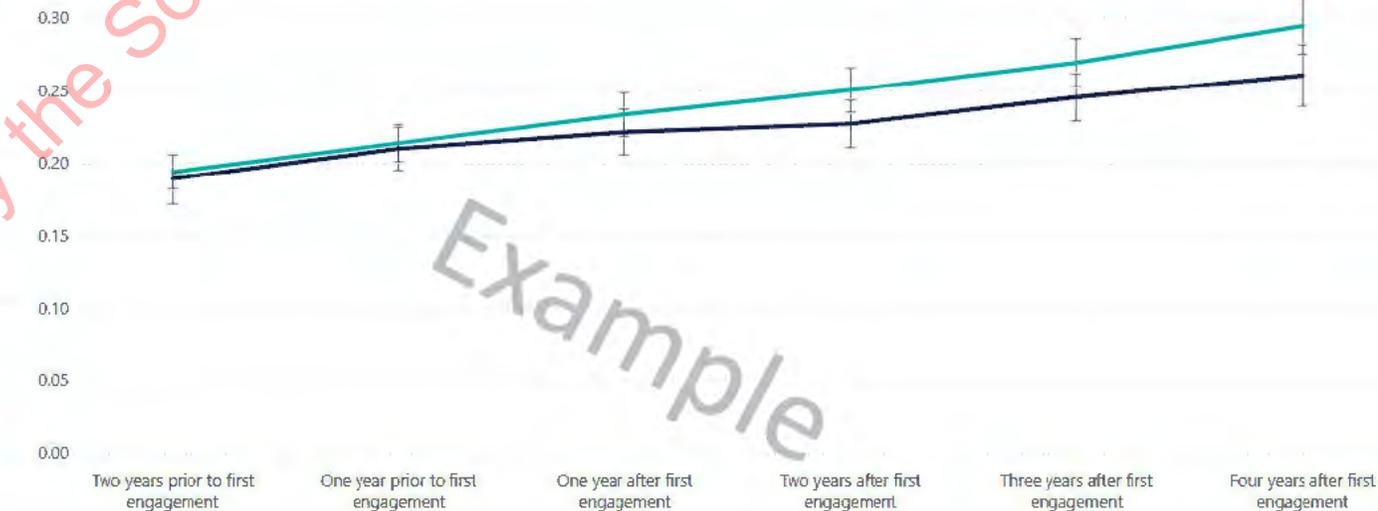
Populations by age band

● Client ● Target



Average number of emergency department visits per year per person

● Client ● Comparison



Example

The Fund's investment plan will be shared with Fund Ministers and agreed by the Minister for Social Investment

Sets out criteria for Fund investments, such as:

- Focus cohorts
- Provider maturity
- Location focus
- Provider type
- Arrangement types

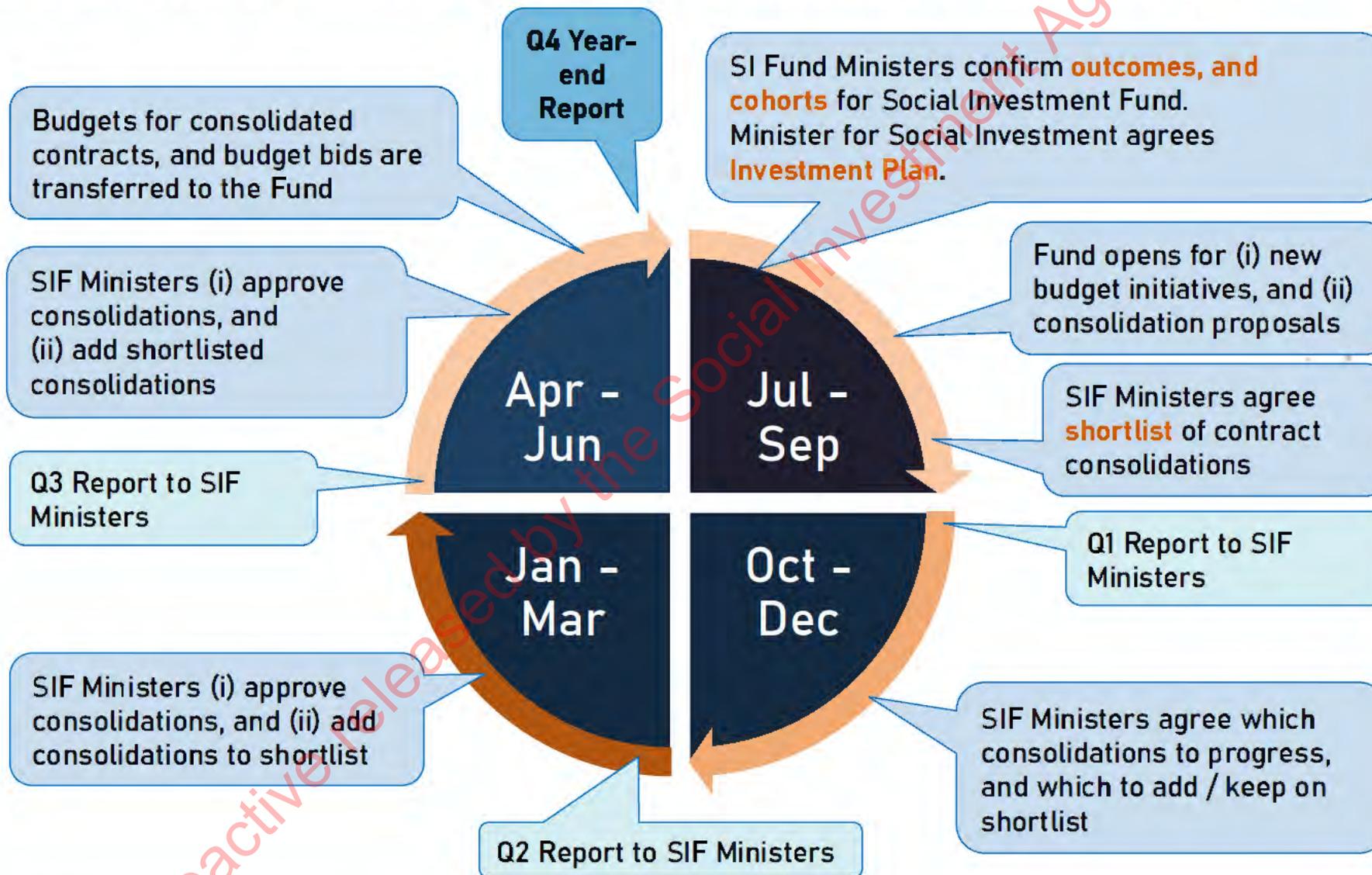
Articulates features of 'social investment standard' contracts

Agrees performance, and impact measures for the Fund

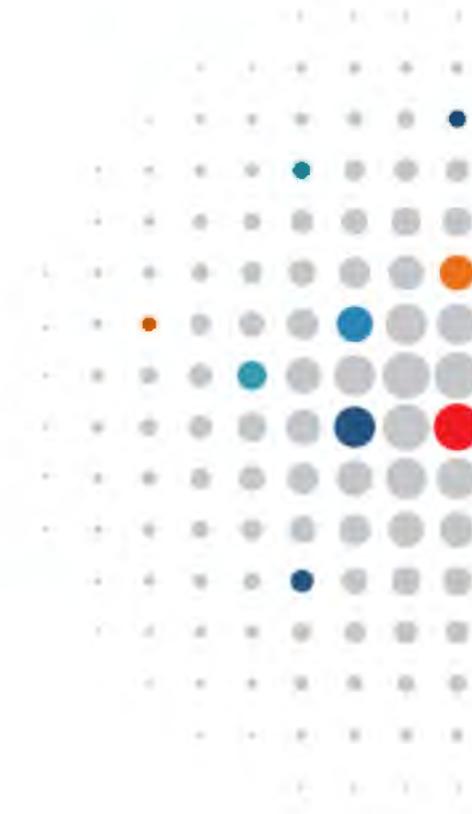
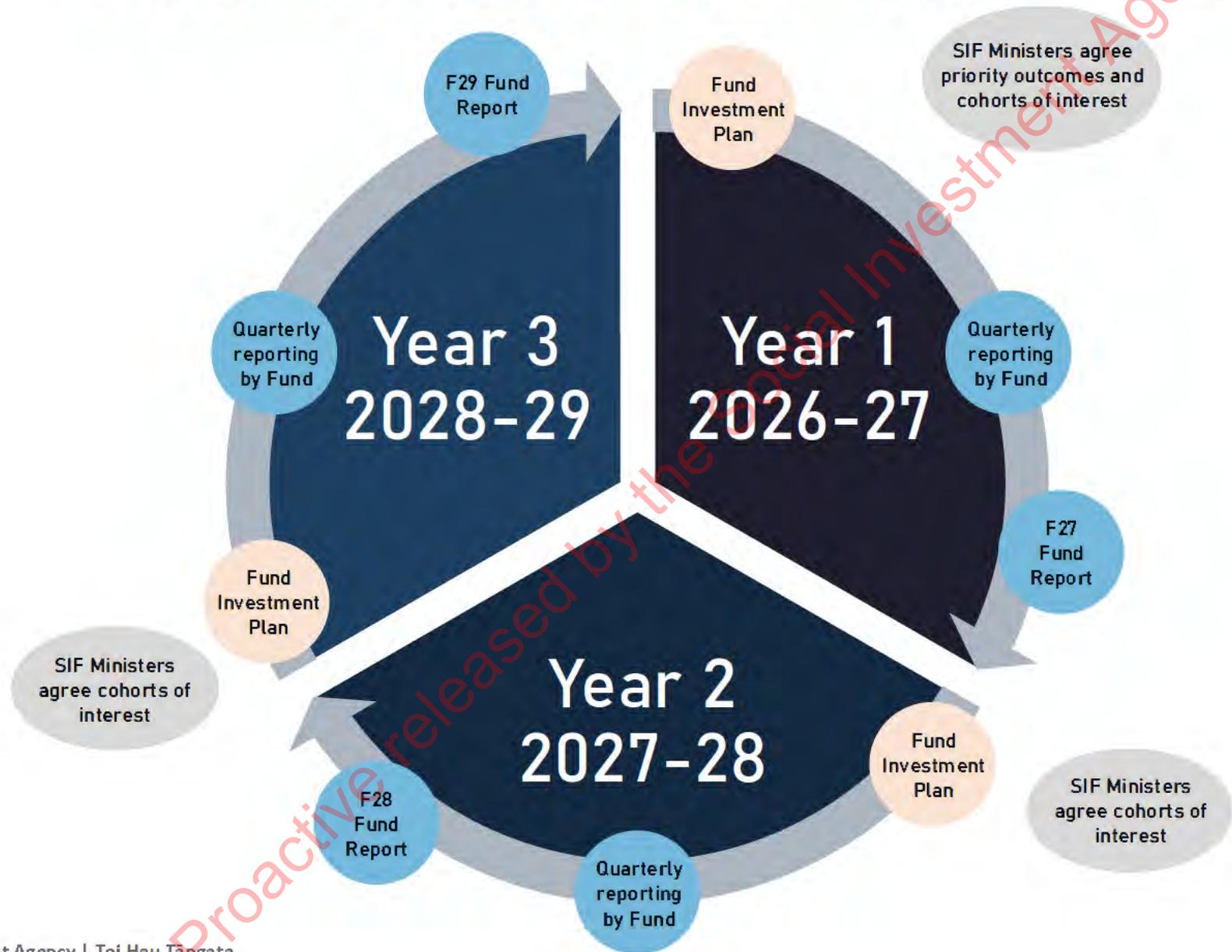
- Monitoring, evaluation, and learning within contracts
- How Fund will be monitored overall

- Outlines a forward timetable for funding cycles
- Sets out an approach for managing risks
- Decision rights
 - Investment plan signed off annually by the Minister for Social Investment
 - Implemented by Social Investment Agency

Social Investment Fund – Annual Planning Cycle



Social Investment Fund – Three-Year Cycle



Terms of Reference

Social Investment Fund Ministerial Group

Context

1. Government's ambition is to drive better outcomes from its investment in social services by implementing a social investment approach.
2. Social investment puts people and outcomes at the centre of social service delivery. It requires Government to be clear about the outcomes sought from any investment – for whom; and it relies on using data and evidence to do more of what works.
3. To better enable social investment, Cabinet has agreed to establish the Social Investment Fund (the Fund). The Fund will provide an alternate way for Government to purchase services for early intervention and prevention, and for people with multiple needs. It will invest by taking an outcomes-based commissioning approach, working with community, non-government-organisations (NGOs) and Iwi providers. (The attachment provides a summary of the organisation of the Fund alongside the organisation of the current Vote system.)
4. The Social Investment Fund sits within Vote Social Investment. Funding for the Fund will largely come via:
 - new funding allocated through Budget processes (noting that Budget 2025 allocated \$190M over four years)
 - transfers of existing funding from appropriations in other Votes, through the consolidation of multiple government contracts held by individual providers into outcomes-based arrangements that align with a social investment approach, or through agency-led reviews of funding.
5. The commissioning function to invest the Fund is being established by the Social Investment Agency, with the intention it provide an immediate demonstration of social investment 'in action'. However, it is anticipated that, after an initial incubation period, management of the Fund will transition to a stand-alone function that will ultimately enable community commissioners.

Role

6. The Social Investment Fund Ministerial Group (the Group) will provide collective oversight and direction for the Social Investment Fund. This will include:
 - setting investment priorities and objectives (outcomes for cohorts of interest) – these are expected to:
 - contribute to long-term improvements across multiple social sector portfolios
 - be identified and defined using data and evidence
 - oversight of the contract consolidation process and other community-led pathways
 - monitoring the performance of the Fund against the outcomes set, and the consistency of investment outcomes with expectations, using data and evidence.
7. The Group will also have responsibility for guiding the transition of the Fund from its incubation within the Social Investment Agency to its more mature state, overseeing arrangements to transition the Fund to its final form (independent of the Social Investment Agency).

8. Finally, the Group will consider the contribution of the Fund to the system change that this Government is seeking: including receiving reports on, and addressing system barriers to, investments through the Fund that may be identified.

Membership

9. The Social Investment Fund Ministers Group comprises:
 - Minister for Social Investment (Chair) and Minister of Finance
 - Minister of Education
 - Minister of Health
 - Minister for Māori Development
 - Minister of Housing
 - Chairs of the following social sector Ministerial Groups:
 - Child and Youth Ministers
 - Family Violence and Sexual Violence Ministers
 - Justice Ministers
10. With the agreement of the Chair, Ministers may nominate a Ministerial delegate to act for the delegating Minister.

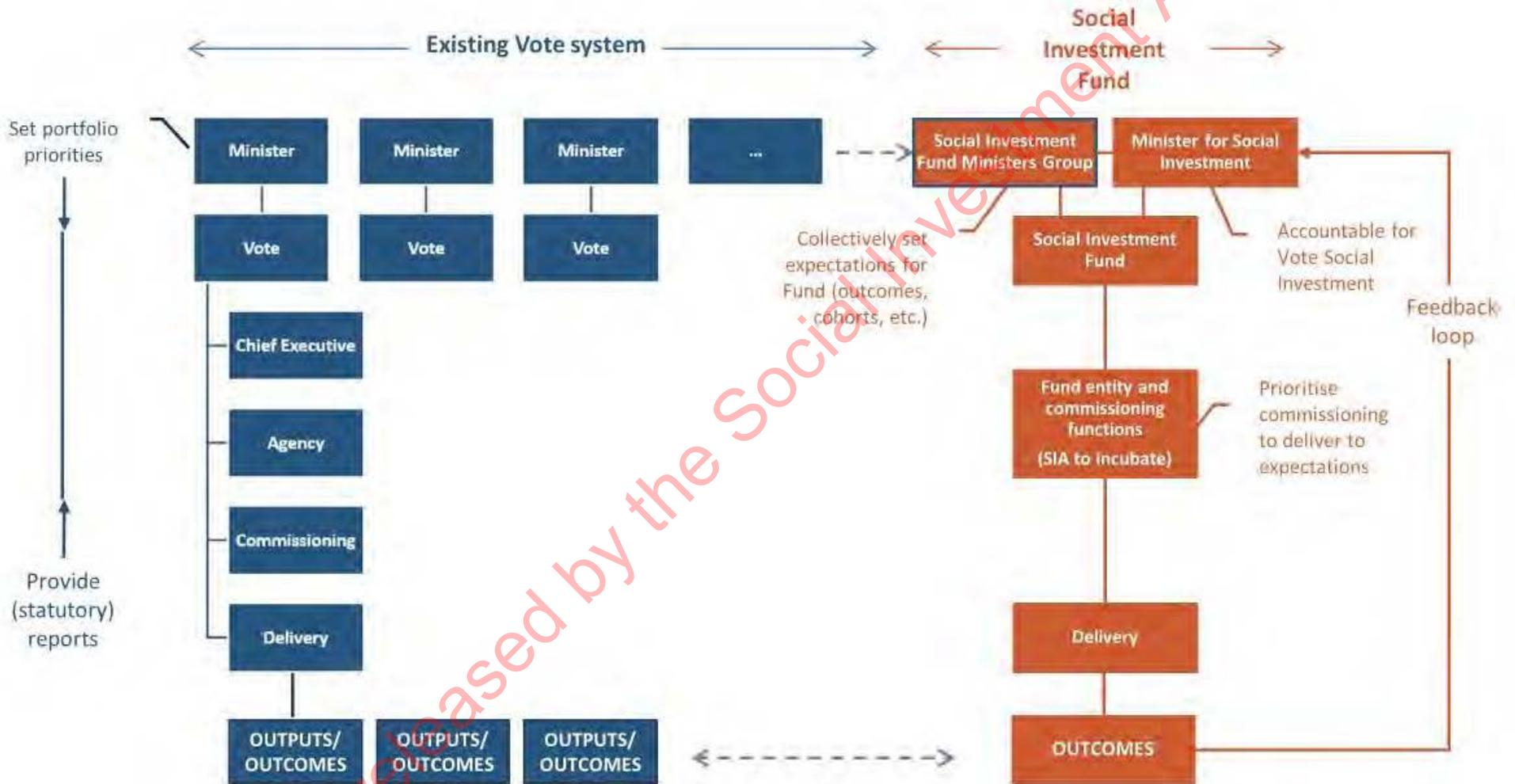
Procedure

11. The Social Investment Fund Ministerial Group will normally meet every quarter and may meet more or less frequently at the discretion of the Chair.
12. The following persons may attend meetings at the standing invitation of the Chair:
 - Secretary for Social Investment (and their delegates)
 - The Head of the commissioning function for the Social Investment Fund (or equivalent position, or their delegate)
 - Chief Executives (or their delegates) of relevant Public Service agencies.
13. Other persons may also attend meetings at the invitation of the Chair.

Administration

14. The Social Investment Agency will provide administrative support for the Group in consultation with the Office of the Minister for Social Investment. This includes the preparation of agendas and minutes, the distribution of papers and the management of any sensitive information, with guidance from the Chair.

Attachment: Organisation of Votes and Social Investment Fund



Proactive released by the Social Investment Agency



Social Investment Fund: Setting priority outcomes and cohorts of interest

Purpose

This briefing seeks agreement to an initial set of priority outcomes and population cohorts, to set the initial direction of the Social Investment Fund. The outcomes will be used to measure and monitor the performance of the Fund's investments.

Recommended action

The Social Investment Agency recommends that you:

- a) **Note** that by approving the priority outcomes and cohorts below, Social Investment Fund Ministers set expectations and priorities for investments made by the Social Investment Fund.

Noted

- b) **Note** that priority outcomes and cohorts will primarily guide investments funded from new monies allocated at Budget 25 (not contract consolidations and funding transfers).

Noted

- b) **Note** the priority outcomes have been selected on the basis they can be consistently measured via the Integrated Data Infrastructure (IDI), which enables comparison between investments.

Noted

- c) **Approve** the proposed set of priority outcomes which the Social Investment Agency will use to measure the initial performance of the Fund's investments against (see paragraph 20).

Agreed

with change

- d) **Approve** the following target cohorts to provide direction to the Fund in its first year of investment rounds:

IN CONFIDENCE

- i. Children of incarcerated parents Yes / No
- ii. Children of parent(s) who experienced the care system Yes / No
- iii. Children who are stood down or suspended when they were 12 or younger Yes / No
- iv. Children with ADHD or FASD Yes / No



Hon Nicola Willis
Chair of Social Investment Fund Ministers

20/10/2023

Proactive released by the Social Investment Agency

Context

1. On 7 April, Cabinet agreed that the Social Investment Fund (the Fund) will directly commission services for vulnerable New Zealanders [CAB-25-MIN-0108.01]. The Fund will deliver an integrated commissioning model that provides an alternative way for Government to purchase better social outcomes.
2. Investments made from the Fund will be targeted towards cohorts of 'at risk' New Zealanders that need support to live more fulfilling, independent, and safe lives. The Fund is a shared architecture that provides Ministers and agencies with an alternative way of investing in social outcomes.
3. Cabinet agreed that the interim oversight arrangements for the Fund consist of a group of Social Investment Fund Ministers (Fund Ministers), chaired by the Minister for Social Investment [CAB-25-MIN-0108.01].
4. Subject to Fund Ministers' agreement to their Terms of Reference, Ministers' responsibilities include:
 - 4.1 Setting outcomes for populations of interest to be commissioned from the Fund.
 - 4.2 Oversight of the contract consolidation process.
 - 4.3 Monitoring the performance of the fund against the priority outcomes.
5. Cabinet has proposed the Fund initially focuses on outcomes associated with the Government Targets, and with strategies such as the Child and Youth Strategy and the Te Aorerekura Action Plan 2025-30 – Breaking the Cycle of Violence.

Priority Outcomes for the Social Investment Fund

The role of outcomes in social investment

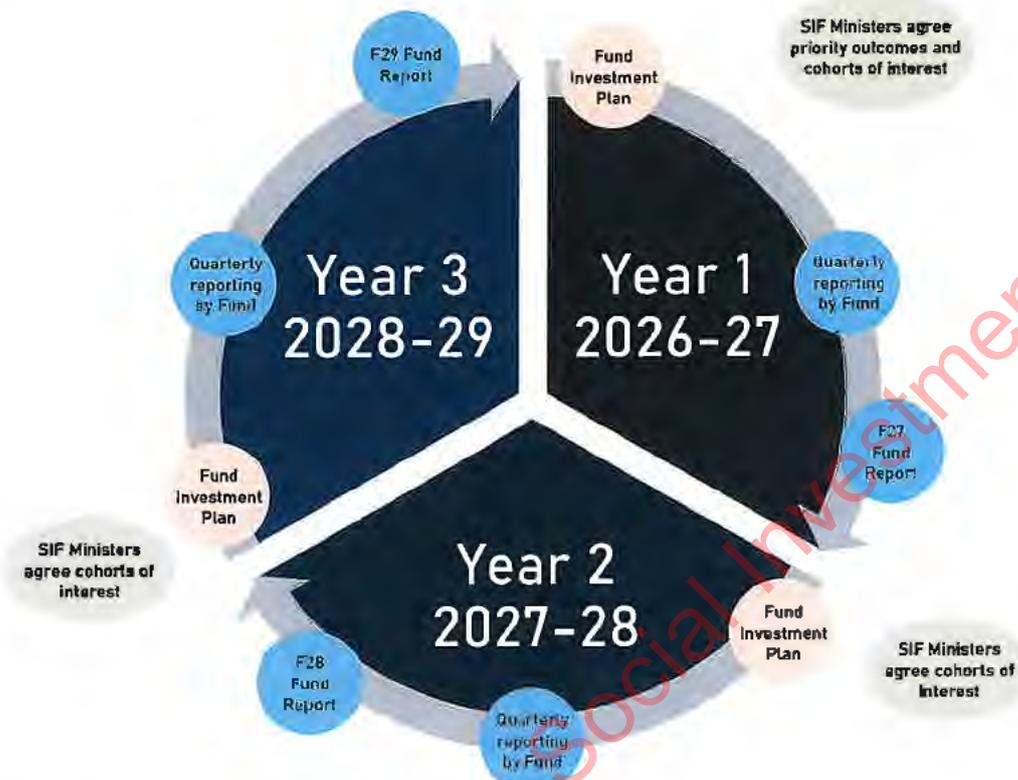
6. Outcomes are central to a social investment approach. They place individuals and whānau at the centre of investment decisions. They do this by focusing attention on, and prioritising, the difference support can make to people's lives rather than simply what is delivered (outputs).
7. Clearly defined outcomes enable data-driven feedback loops which help decision-makers to:
 - 7.1 understand what impact investments are having (or likely to have)
 - 7.2 identify what is working, what might need to be adjusted to work better, and what might need to be stopped.
8. Across the social sector, there are a core set of enduring social outcome areas that the government invests in for individuals and families. These are reflected in various existing frameworks and strategies and are as follows:
 - 8.1 Improved **health**

- 8.2 Greater **safety**
 - 8.3 Ensuring secure and stable **housing**
 - 8.4 Improving **knowledge and skills**
 - 8.5 Growing **income and wealth**
 - 8.6 Supporting people into **work**.
9. The Government of the day sets priorities within these broad outcome areas through a variety of mechanisms. These mechanisms include through setting government targets, agreeing Budget priorities and determining its legislative agenda.
10. Progress towards achieving these priority outcomes is tracked using associated measures. These show the impact of investments in social services from different perspectives.

Priority outcomes will form a focal point for Fund investments

11. Fund priority outcomes provide focus areas for Fund investment. Agreeing a set of priority outcomes for Fund investments will enable Ministers to:
- 11.1 Understand the return on investment that the Fund provides
 - 11.2 Compare Fund investments for their impact on outcomes and return on investment.
12. Priority outcomes will also enable the Fund to:
- 12.1 Implement outcomes-based contracts, which focus on shared objectives between Fund commissioners and providers in terms of results rather than outputs
 - 12.2 Track the impact of investments over time, providing opportunities to 'course correct' to improve return
 - 12.3 Identify and compare potential future investment opportunities.
13. The set of priority outcomes will also provide a 'shared language' that can support conversations among Ministers, social sector partners and communities about outcomes they may want to jointly achieve. There is an opportunity to use the Fund outcomes to improve the consistency of outcome measurement across government.
14. The proposed set of priority outcomes is designed to provide accountability to Ministers over Fund performance. Outcome agreements with providers may include a broader range of outcomes (that reflect the provider's aspiration for whānau, community or iwi) alongside the Government's priority outcomes. The Fund will report these provider-collected outcomes alongside government-collected outcomes when reporting back to Fund Ministers. This will enable us to understand the relationships between these different sets of measures.
15. The initial set of priority outcomes will provide direction for the Fund over the 25/26 financial year. Beyond this point, we propose that Fund Ministers set priority outcomes every three years, on the basis of Government priorities, and advice and evidence provided by SIA, and learning from the Fund. This allows Fund Ministers to switch focus as the Fund matures in its

investment processes. The figure below shows expected rhythm of the three-year investment cycle.



Initial priority outcomes for the Fund

16. The Social Investment Agency (SIA) recommends that Fund Ministers adopt the initial set of priority outcomes below. As directed by Cabinet, these have been developed to align with the goals of existing Government priority areas, including:
 - the Nine Government Targets
 - the Child and Youth Strategy (CYS)
 - Te Aorerekura Action Plan 2025-30 – Breaking the Cycle of Violence.
 - Employment Action Plan.
17. The priority outcomes list is intentionally a broad set that spans the core functions of the social sector. Establishing a bundle of many outcomes, rather than a small number, will help to identify cases where Fund investments improve some outcomes at the expense of others, or otherwise 'hit the target but miss the point'.
18. The priority outcomes have been selected on the basis that relevant measures can be derived from the Integrated Data Infrastructure (IDI), administered by Stats NZ. Measures will have standardised definitions that are endorsed by the agency primarily responsible for the outcome. The IDI is a secure research database available to authorised researchers which cannot identify individuals. Most outcomes already have appropriate standardised measures

developed. The SIA will work with the Ministry for Housing and Urban Development and other relevant officials, to develop a suitable measure for the housing related outcome.

Outcome Areas	Fund priority outcomes	Alignment with Government priorities
Improved Health	Reduced demand for the emergency department	Government Targets
	Reduced potentially avoidable hospitalisations	Government Targets The Child and Youth Strategy 2024-2027
Greater Safety	Reduced substantiated findings of abuse and neglect	The Child and Youth Strategy 2024-2027
	Reduced violent crime	Government Targets
	Reduced youth crime	Government Targets
	Reduced family violence and sexual violence	TE AOREREKURA ACTION PLAN
Ensuring stable and secure housing	Improved housing stability	Government Targets
Improving knowledge and skills	Improved attendance in education	Government Targets The Child and Youth Strategy 2024-2027
	Improved qualifications	Government Targets The Child and Youth Strategy 2024-2027
Growing income	Higher incomes	The Child and Youth Strategy 2024-2027
Supporting people into work	More time in employment	Employment Action Plan
	Reduced need to access Jobseeker or Sole Parent Support benefits	Government Targets Employment Action Plan

Monitoring and evaluating the impact of the Fund

19. It is likely that the cohorts who are supported by the Fund have complex lives, and their outcomes will be influenced by many other factors (including support from other parts of government). To be confident about the additional impact that Fund investments are making, SIA is developing a robust monitoring and evaluation strategy for each investment. This means that these outcomes are not the only way investments will be measured. Other measurement will involve:

- 19.1 Understanding what a specific investment will entail, agree what outcomes the contract will focus on, and which of these will be measured by government and by the provider.

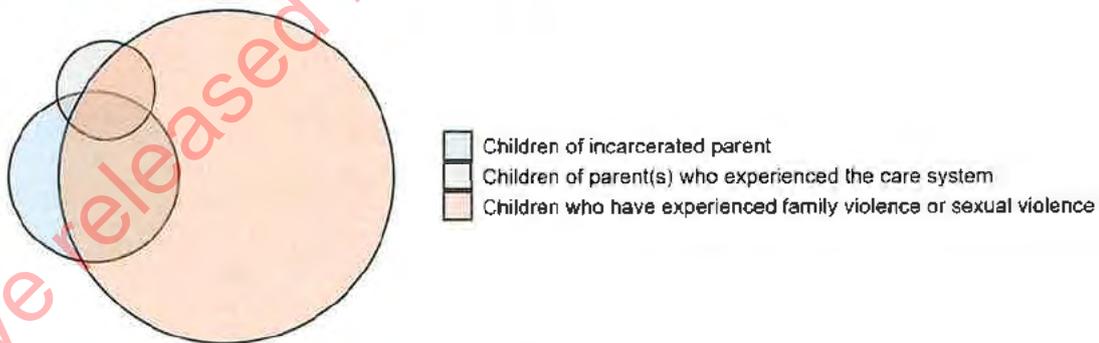
- 19.2 Monitoring conversations enabled by provider-collected and government administrative data. This will enable a collaborative discussion about how impact could be further improved.
- 19.3 A robust impact assessment, where highly reliable methods are used to isolate causal impact of the investment on the Fund's priority outcomes. This impact will be measured relative to a counterfactual group.
20. While the specific monitoring and evaluation approach may differ from contract to contract (and will use data collected by and relevant to each provider), there will also be an impact assessment that looks at the same set of prioritised government outcomes. Therefore, SIA can provide Fund Ministers with an ongoing view of the impact the Fund, aggregating all Fund investments together, based on both provider-collected and government-collected data. The IDI enables longitudinal analysis at low cost. We can continue to provide a picture of the priority outcomes from Fund investments over the life course of people receiving support and after support has finished, across generations, and including ripple effects in communities.
21. In order to understand return on investment fully, we need to quantify both the fiscal cost and value to society of different outcomes. At this stage, SIA is able to estimate fiscal costs for most priority outcomes. However, it is still refining ways to robustly value social benefits for some. This means we can currently only give partial advice on the value of the proposed priority outcomes. This will, therefore, be the subject of future work.

Cohorts of interest for Fund Investments

22. In a social investment approach, investments are focused on individuals and whānau ("target cohorts") who are:
- 22.1 unlikely to achieve the priority outcomes without additional support
 - 22.2 likely to significantly benefit from support in terms of the subsequent change to their life trajectories.
23. Most New Zealanders get the support they need to live well from their family, whānau, community, and universal public services commissioned by single agencies (like GPs and schools – *primary prevention*).
24. Conversely, at the highest levels of need, crisis services are focused on specific outcomes (emergency response, child protection, immediate harm reduction) and best commissioned by agencies with deep expertise in those areas (*tertiary prevention*).
25. The Social Investment Fund will therefore invest primarily in *secondary prevention* services (services aimed at those who aren't yet in crisis, with the aim to intervene before issues escalate) that support people and families with multiple challenges to achieve a broad range of positive outcomes.
26. SIA has undertaken analysis on a short list of target cohorts. This list was based on cohorts:

- that surfaced in previous analysis undertaken by SIA as having multiple and cross-cutting needs that would benefit from early intervention and support
 - had strong alignment with the Government priorities
 - were of a scale that enabled the Fund to be targeted but still make a measurable impact.
27. These are groups of people with needs that, if effectively addressed, would result in a measurable difference to multiple priority outcomes.
28. These cohorts are intended to provide direction for the Fund, over the 25/26 financial year. The SIA proposes that after that point, Fund Ministers reconsider the cohorts on an annual basis, based on advice and evidence provided by SIA, as well as Government priorities.
29. This process produced the following four cohorts spanning a range of areas:
- Children of incarcerated parents.
 - Children of parent(s) who experienced the care system.
 - Children who are stood down or suspended when they were 12 or younger.
 - Children who with attention deficit hyperactivity disorder (ADHD) or fetal alcohol spectrum disorder (FASD).
30. SIA has previously considered a cohort of children who had experienced family violence or sexual violence. We have removed this as a specific cohort of focus for Fund initiatives as this group is too large to be able to focus the available funding. While it is not a recommended cohort, there is significant overlap with the cohorts we are recommending and people experiencing family violence or sexual violence. For example, 70% of the children of an incarcerated parent cohort and 69% of children of a care-experienced parent cohort, have experienced family violence or sexual violence.

Overlapping of cohorts



31. Similarly, with Ministers' interest in the first 2000 Days, SIA also considered whether a cohort oriented around this life stage was appropriate. This resulted in a cohort too large to target with the available funding. However, to increase the likelihood of improving outcomes for the cohorts of interest, we anticipate that the Fund's investments will particularly prioritise supports early in the life-course, including during pregnancy.

32. Appendix one provides additional detail on this set of cohorts, including estimates of the potential social and fiscal benefits of improved priority outcomes. A summary of this information is described in the table below.

Cohort	Size	Potential benefits per person over 25 years	Alignment with outcome areas			
			Health	Safety	Housing	Income
Children of incarcerated parents	34,995	\$306,000				
Children of parent(s) who experienced the care system	35,490	\$370,000				
Children who are stood down or suspended when they were 12 or younger	12,570	\$471,000				
Children with ADHD or FASD	8,580	\$531,000				

33. SIA has also undertaken analysis that indicates in which regions these cohorts are clustered. This means that the Fund has the evidence either to invest in national supports, or in more targeted local or regional investments, as appropriate.

34. Because the priority cohorts are defined on the basis of government administrative data, we are confident that they can be identified operationally. However, while SIA has undertaken analysis of the cohorts in the IDI, this data cannot be used to identify specific individuals or families to offer support. Rather, reaching these cohorts will require that the Fund works with community providers and government agencies (at the national and regional levels) to create integrated referral pathways into services. For example, supporting children of incarcerated parents will require working with Corrections to identify and offer support.

35. These cohorts are defined in relation to children and young people, but the best evidence tells us that, often, the most effective way to support children is to provide evidence-based, integrated support to families and whānau. It is not the SIA's intention that these cohort definitions should limit the Fund to only supporting individual children.

36. Similarly, SIA's analysis has been focused on children presenting with diagnosed conditions such as ADHD. The analysis does not include a focus on FASD precisely because until recently, there was a lack of systematic diagnosis of this condition. We recognise that community providers will often be able to identify children likely to need support before the point of diagnosis, and support can be made more effective if it is paired with mechanisms to identify needs earlier in life. We anticipate that the Fund will aim to identify and support children as early as possible, and will work with health officials to identify opportunities to strengthen early screening and referral.
37. While the cohorts will be used to direct the Fund's investments in initiatives, the scope of the contract consolidation process will need to be wider as not to impede its ability to work efficiently with providers. That said, it will be important that contract consolidations nudge service provision towards more focused and earlier interventions, with support in the first 2000 days of life being the ideal.

Alignment of initial Fund investments

38. Each Fund investment will identify the projected impact on the Fund priority outcomes for a specified cohort.
39. Social issues are complex and different approaches will be needed in different contexts. Therefore we propose a set of priority outcomes to allow the Fund to 'bundle' different combinations of outcomes into different investments.

The proposed priority outcomes and cohorts align to Budget 2025 social investment initiatives

40. As part of Budget 2025, Social Investment initiatives were announced as tagged contingencies to:
 - strengthen parenting in the first 2000 days of a child's life, reducing harm and setting children up for better long-term outcomes
 - prevent children and vulnerable adults from entering state care, as part of the Crown's response to the Royal Commission of Inquiry into Historical Abuse in State Care.
41. Both these initiatives can also be expected to deliver the sort of outcomes identified in the recommended priority outcomes. A successful intervention for any of these cohorts could see children 1.3 to 3.2 times less likely to interact with Oranga Tamariki and 1.3 to 3.3 times less likely to be a victim of violence. Effective support for parents could also be expected to reduce the number of visits to the emergency department, and improve attendance in education. Given the alignment, it is possible for these initiatives to be delivered through the Fund¹ if authorised Ministers for these tagged contingencies agree. See Appendix One for

¹ Advice is currently with the Minister for Social Investment and Minister for Social Development and Employment with options for how strengthening parenting practice initiative is delivered [report SIA 2425219 refers].

more detail on the benefits to society and government that are expected to accrue by delivering effective support for each of these cohorts.

Attachments:

Appendix one: Analysis of cohorts of interest

Proactive released by the Social Investment Agency

Analysis of cohorts of interest

Social Investment Fund Ministers Group

June 2025

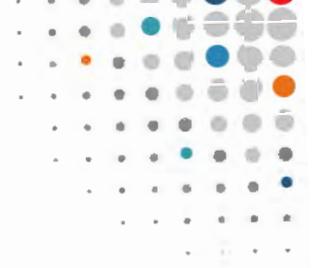


Social Investment Agency
Toi Hau Tāngata

Te Kāwanatanga o Aotearoa
New Zealand Government



Proactive released by the Social Investment Agency



Summary

This slide pack summaries the analysis that SIA has undertaken to develop a short list of target cohorts. This process produced the following four cohorts spanning a range of domains:

- Children of incarcerated parents.
- Children of parent(s) who experienced the care system.
- Children who are stood down or suspended when they were 12 or younger.
- Children who with ADHD or FASD.

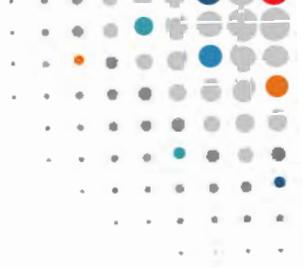
Note for the Children who with ADHD or FASD cohort the analysis has focused on children presenting with diagnosed conditions such as ADHD. The analysis does not include a focus on FASD precisely because until recently, there was a lack of systematic diagnosis of this condition.

SIA has undertaken analysis on a short list of target cohorts. This list was based on cohorts:

- that surfaced in previous analysis undertaken by SIA as having multiple and cross-cutting needs that would benefit from early intervention and support
- had strong alignment with the Government priorities
- were of a scale that enabled the Fund to be targeted but still make a measurable impact.

These cohorts are intended to provide direction for the Fund, over the 25/26 financial year. The SIA proposes that after that point, Fund Ministers reconsider the cohorts on an annual basis, based on advice and evidence provided by SIA, as well as Government priorities.

SIA have included a literature scan about 'what works' for these cohorts. For high and complex needs, an integrated and whānau-based approach is likely to be needed.



How much potential benefit is realised will depend on the efficacy of any intervention

The efficacy or success of a social intervention depends on the outcomes sought, the problem being addressed, and participants' willingness to change.

For some interventions, the apparent efficacy rate may appear low. For example, around two-thirds of prisoners have problems with abuse of alcohol and other drugs. The best treatment options for them reduce re-imprisonment rates by around five percentage points – that is, **for every 20 people who receive treatment, one fewer is re-imprisoned.**

For other interventions, efficacy rates may be higher. For example, participants in a driver licensing programme for beneficiaries found that, over 18 months:

- 30 percent of participants held a full licence compared with 17 percent of the comparison group
- participants spent an average of 20 additional days in employment (while off benefit), relative to the comparison group
- participants earned an average of \$3,000 more from employment, relative to the comparison group.

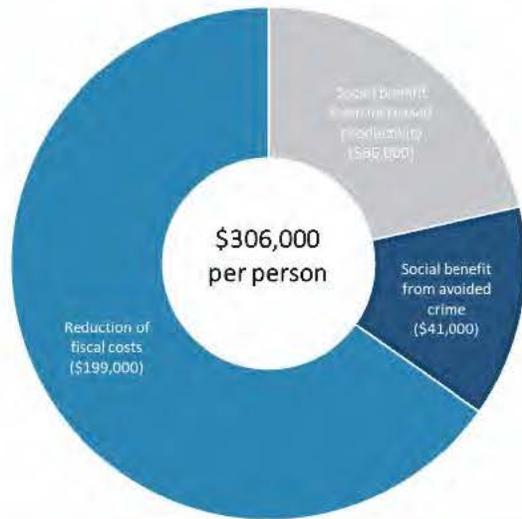
We will only invest when, taking into account efficacy rates, we are confident that the return on investment is positive.

Efficacy rates can also be improved where:

- Interventions are provided earlier (to prevent escalation of need)
- Where clients are empowered to work on the problems that are most important to them (for example, whānau ora approach).
- Multiple interventions address complex need

Children of incarcerated parents

Cumulatively these outcomes equate to the following potential social and fiscal benefits by age 25 for the child



At a national level, effective support for 1000 children and youth of an incarcerated parent with additional complex needs, **could** improve their outcomes by up to:

At age 16



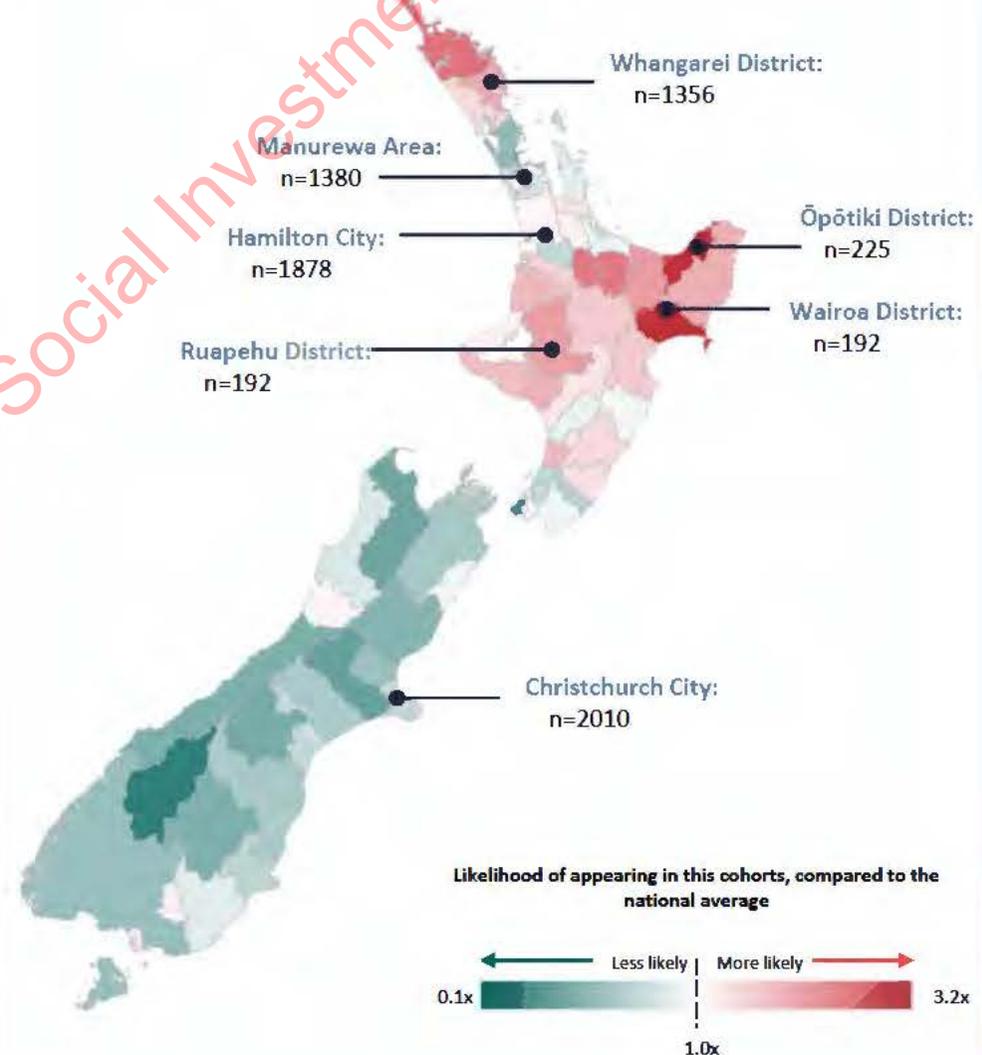
- 100 fewer emergency department visits
- 30 fewer youth who are hospitalised
- 240 fewer youth in care and protection
- 40 fewer youth committing violent crime
- 50 fewer victims of violence
- 180 more youth with regular attendance

At age 24



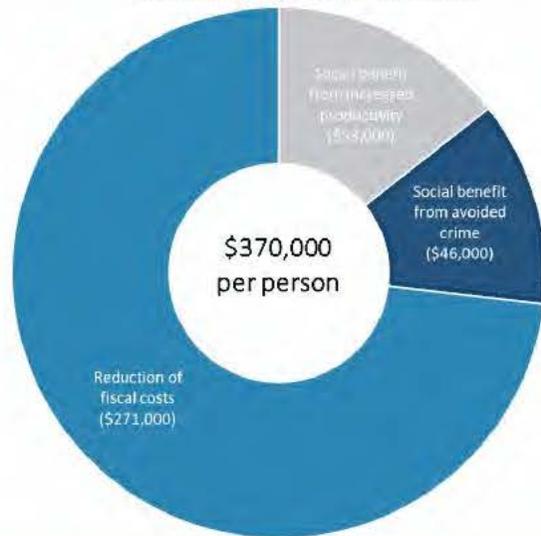
- 40 fewer young adults living in emergency housing
- 250 more young adults in employment and off benefit
- 330 more young adults with NCEA level or higher
- 250 more young adults in employment and off benefit

National cohort size (across 2023): 34,791



Children of parent(s) who experienced the care system

Cumulatively these outcomes equate to the following potential social and fiscal benefits by age 25 for the child



At a national level, effective support for 1000 children and youth of a parent who experienced the care system with additional complex needs, could improve their outcomes by up to:

At age 16



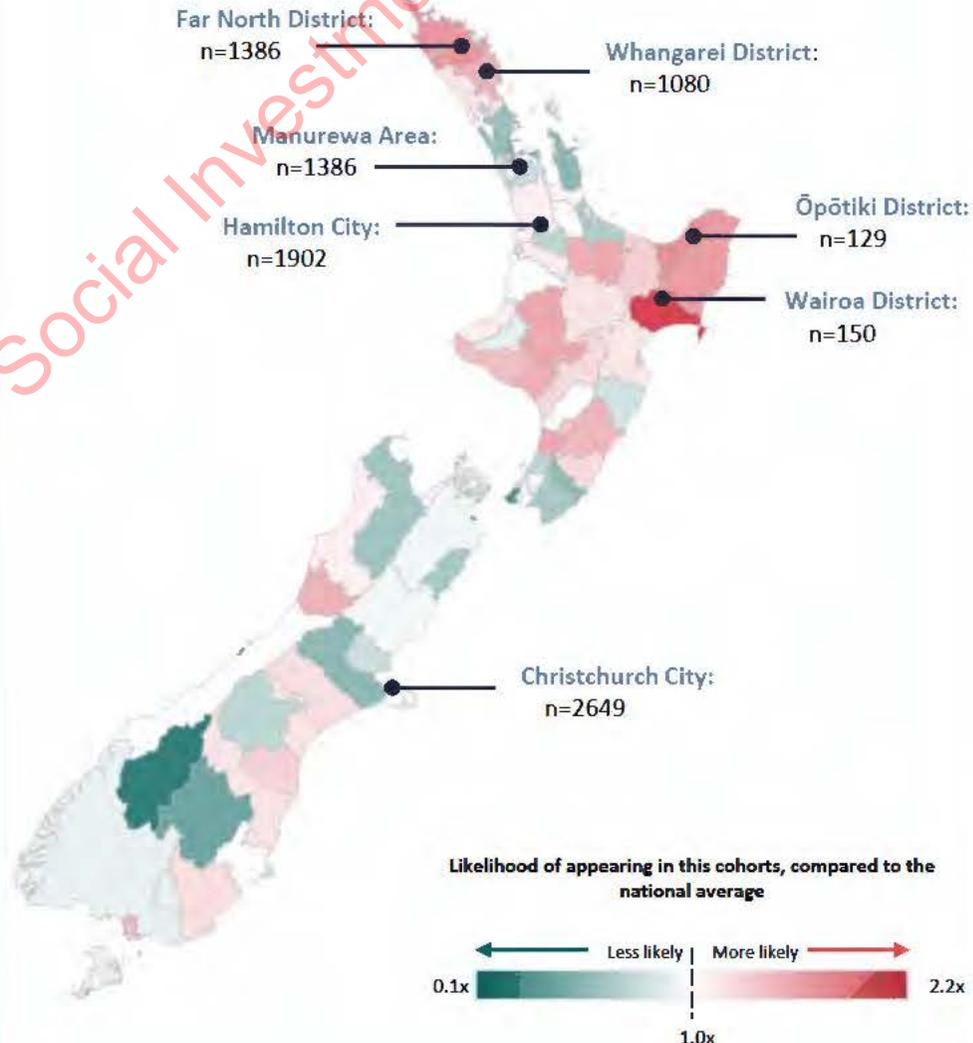
- 200 fewer emergency department visits
- 40 fewer youth who are hospitalised
- 210 fewer youth in care and protection
- 40 fewer youth committing violent crime
- 40 fewer victims of violence
- 250 more youth with regular attendance

At age 24



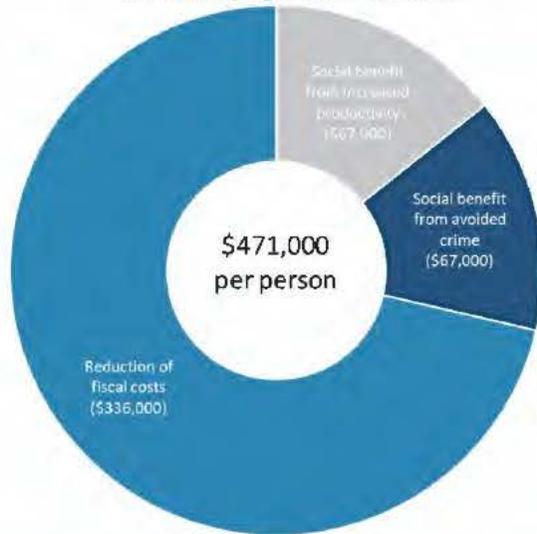
- 60 fewer young adults living in emergency housing
- 120 more young adults in employment and off benefit
- 320 more young adults with NCEA level or higher
- 120 more young adults in employment and off benefit

National cohort size (across 2023): 34,062



Children who were stood down or suspended before the age of 12 yrs

Cumulatively these outcomes equate to the following potential social and fiscal benefits by age 25 for the child



At a national level, effective support for 1000 children and youth who were stood down or suspended before the age of 12 years with additional complex needs, **could** improve their outcomes by up to:

At age 16



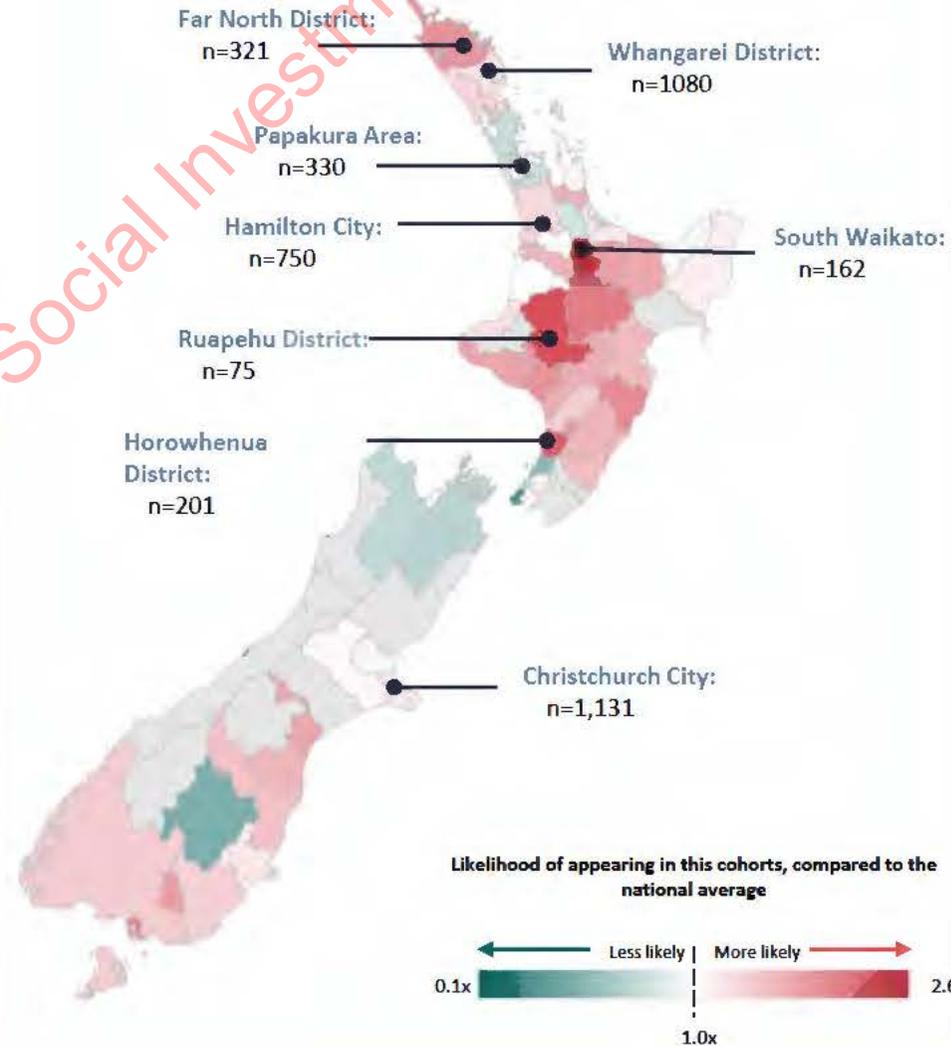
- 100 fewer emergency department visits
- 20 fewer youth who are hospitalised
- 290 fewer youth in care and protection
- 70 fewer youth committing violent crime
- 60 fewer victims of violence
- 200 more youth with regular attendance

At age 24



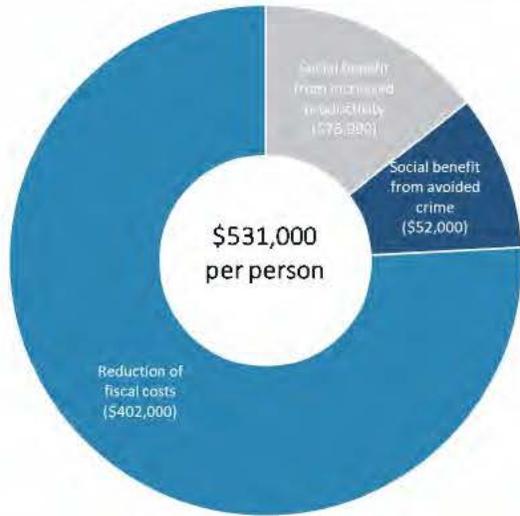
- 20 fewer young adults living in emergency housing
- 260 more young adults in employment and off benefit
- 400 more young adults with NCEA level or higher
- 260 more young adults in employment and off benefit

National cohort size (across 2023): 11,490



Children with ADHD when 16 years or younger

Cumulatively these outcomes equate to the following potential social and fiscal benefits by age 25 for the child



At a national level, effective support for 1000 children and youth with ADHD with additional complex needs, **could** improve their outcomes by up to:

At age 16



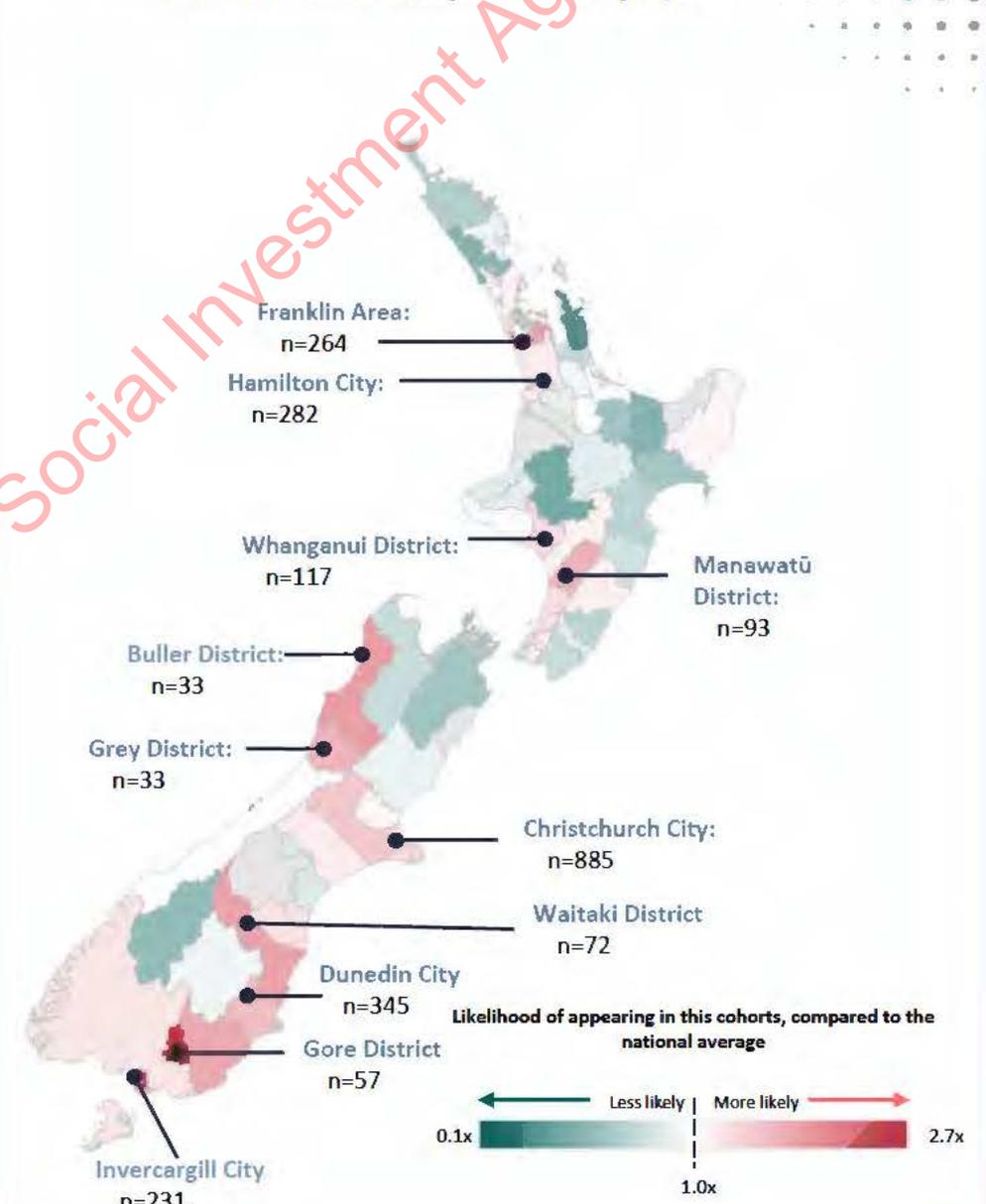
- 200 fewer emergency department visits
- 40 fewer youth who are hospitalised
- 340 fewer youth in care and protection
- 50 fewer youth committing violent crime
- 60 fewer victims of violence
- 280 more youth with regular attendance

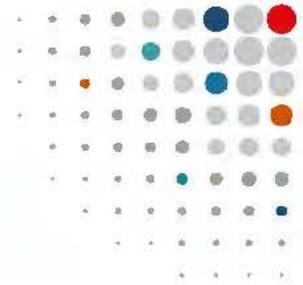
At age 24



- 30 fewer young adults living in emergency housing
- 300 more young adults in employment and off benefit
- 410 more young adults with NCEA level or higher
- 300 more young adults in employment and off benefit

National cohort size (across 2023): 8,580





We have used the IDI to estimate potential benefits of effective intervention

1

We **identified a cohort** that we have existing evidence of pronounced need (based on prior research).

e.g. 'Students in Alternative Education'

2

We **identified an intermediate outcome** that leads to better later-life outcomes and that could be targeted by a potential intervention. The cohort is split into people who do and do not achieve this outcome.

e.g. 'Achieving NCEA L1+ before leaving school'

3

We **examined later life service interactions of historical cohorts to determine social outcomes achieved and fiscal costs incurred.** (Note: These are actual outcomes of past cohorts, not products of a statistical model.)

e.g. 'What are the costs incurred by prior AE students with no NCEA at the age of 25?'

4

We used differences in the future trajectories of the people who achieve/do not achieve the intermediate outcome to **approximate and monetise the potential effect of a successful intervention.**

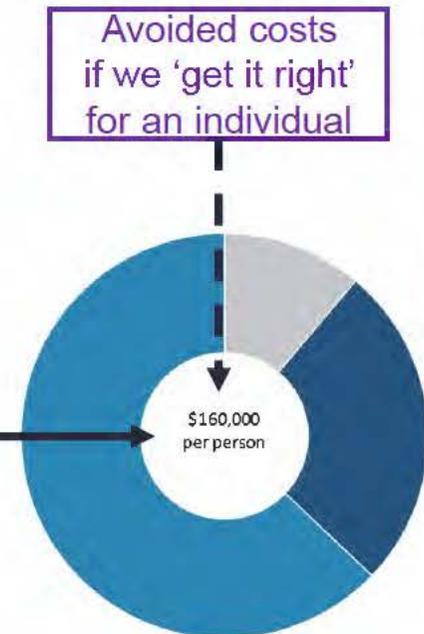
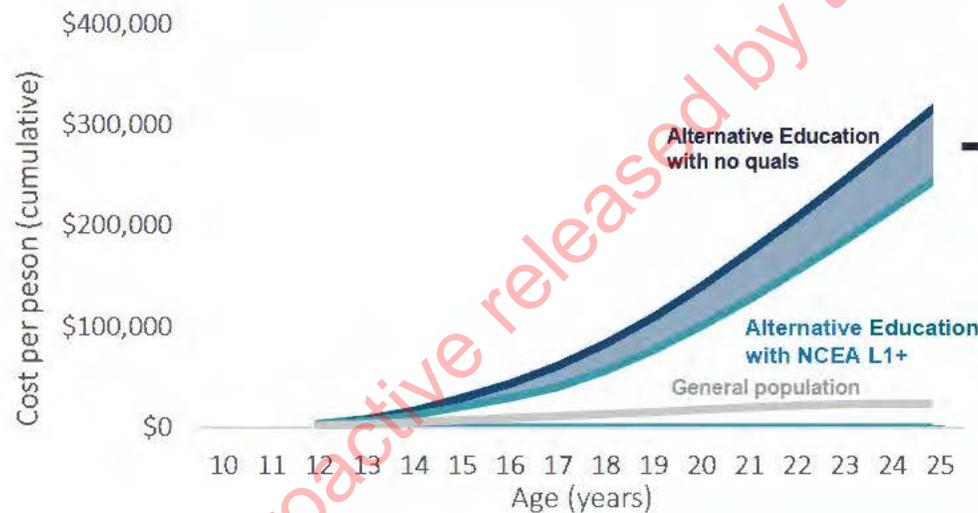
e.g. 'If we get things right for students in AE, what might their future look like? Who benefits?'





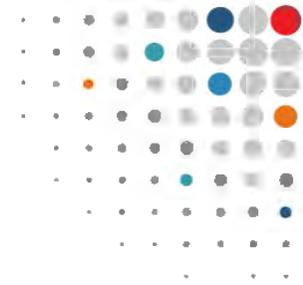
Our estimates of potential benefit are established via differences in actual pathways

1. We **identified a cohort** and an **intermediate outcome** that leads to better later-life outcomes **for people in that cohort**.
2. We examined later life service interactions to **determine social outcomes achieved and fiscal costs incurred by age 25**.
3. We used the differences in the future trajectories of the people to **approximate and value the potential effect of a successful intervention**.



The potential benefits were modelled for the purpose of enabling comparison between cohorts and does not factor in the effect size of the intervention. This can be modelled when an intervention has been designed.

Note that these estimates only include the social and fiscal avoided costs. It does not consider the efficiency savings that a reduce demand on the system creates.



How we will know about impact

Data sharing

Provides a basis for ongoing conversations between SIF and the provider. Made up of a combination of community data collected by the provider and government data supplied by SIF from the IDI.

The focus of conversations are evidence triangulation progress and continuous improvement, not compliance and activity/volume.

This enables us to have relational partnerships that are evidence-centred.

Feedback loops

Re-orienting the traditional contract discussion to be focused on productive learning across the life of the contract.

At the start of the contract, this sets up the terms of the joint conversation, and ways to capture learning.

Midway through, this takes stock and provides suggestions for improvements.

At the end of the contract, this provides insights that could carry over to future contracts.

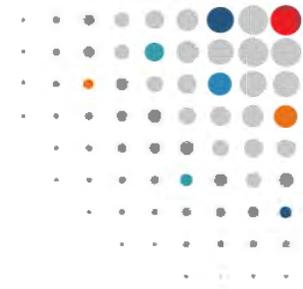
Impact analysis

A statistical analysis, using rigorous methods, enabled by designing in evaluation from the start.

This enables us to efficiently produce highly credible causal impact of the provider on government outcomes measured in the IDI.

We can also measure spillover benefits on outcomes not the primary focus of the contract.

Proactive released by the Social Investment Agency



IDI disclaimer

These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) which is carefully managed by Stats NZ. For more information about the IDI please visit <https://www.stats.govt.nz/integrated-data>.

The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994 for statistical purposes. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data's ability to support Inland Revenue's core operational requirements.

Access to the data used in this study was provided by Stats NZ under conditions designed to give effect to the security and confidentiality provisions of the Data and Statistics Act 2022. The results presented in this study are the work of the author, not Stats NZ or individual data suppliers.



Social Investment Fund – Report-back on implementation

Purpose

1. In April, Cabinet directed the Social Investment Agency to report to Social Investment Fund Ministers with a detailed transition plan and implementation arrangements, including a plan for consultation and engagement with the sector [CAB-25-MIN-0108.2 refers].

Recommended action

2. The Social Investment Agency recommends that Social Investment Fund Ministers:
 - a) **Note** the implementation arrangements for the Social Investment Fund, outlined in this report and summarised as Appendix 1.
 - b) **Note** the plan for consultation and engagement on the implementation arrangements with the sector, as summarised as Appendix 2.

Noted

Noted

Hon Nicola Willis
Chair of Social Investment Fund Ministers

19/5/25

Proactive Release by the Social Investment Agency

Overview

3. The Government's decision to establish the Social Investment Fund is a significant system change to address long-standing structural barriers and enable integrated commissioning for early intervention and prevention and for people with multiple needs.
4. Establishing this integrated commissioning function through the Fund requires delivery of multiple workstreams in parallel. This report proposes a measured and phased approach to deliver this system change. It also provides visibility for Social Investment Fund Ministers to manage implementation risks and seek assurance of capability in the system.
5. These workstreams comprise:
 - 5.1 **Establishing and delivering 'government-led' processes** for commissioning via the Fund, including:
 - 5.1.1 Delivery of Budget 2025 initiatives – completing investment in the first three demonstrator initiatives (announced in May) and opening the Fund in August, including to support parenting practices in the first 2000 days and to empower families, whānau and communities to prevent children and/or vulnerable adults from entering care.
 - 5.1.2 Supporting agency-led reviews of funding to improve performance of investments and deliver better outcomes.
 - 5.2 **Establishing and delivering 'community-led' processes** to enable providers and others express interest in working with the Fund, including:
 - 5.2.1 Contract consolidation: setting the processes and criteria for non-government and community organisations to propose transferring and consolidating their current contracts into the Fund, and the cross-agency arrangements to resolve the consequential transfers of funding and relationships.
 - 5.2.2 Devolved commissioning: setting the processes and criteria for well-established organisations to propose being devolved commissioners for the Fund, and the arrangements to 'pool' social sector funding from multiple agencies into a single fund under local decision-making.
 - 5.2.3 Co-investment: developing pathways for co-investment opportunities with iwi, philanthropic organisations and other potential investors, with an initial focus on the approach to design these pathways with social sector organisations and other key stakeholders.
 - 5.3 **Maintaining a consistent and coordinated approach to consultation and engagement** with the sector, in particular where this work programme impacts on their current contracts with government.
 - 5.4 **Managing the demands on capability** across the system, building the capability of the SIA to lead and support this work programme, and building the new integrated commissioning function (hosted initially by SIA):

- 5.4.1 To focus on contract consolidation and devolved commissioning processes; and
- 5.4.2 Working with the Treasury to develop and confirm the public finance arrangements necessary to transfer and consolidate existing funding into the Fund and to enable the other pathways.

Transition plan and implementation arrangements for the Social Investment Fund

6. The Fund will start small, to build capability and learn as we go. The decisions taken by Social Investment Fund Ministers on the priority outcomes and cohorts for the Fund provide a strong foundation for this measured approach over 2025/26:
 - 6.1 The cohorts for the first round of new funding through the Fund are focused on a tightly-defined group of children and young people, and their families and whānau who face multiple and complex challenges, and a relatively small group of providers who work with these cohorts;
 - 6.2 There are potential overlaps across these cohorts, the two specific tagged contingencies established in Budget 2025 (the Supporting Parenting Practices in the First 2000 days and Preventing Entry into Care initiatives), and the programmes and providers proposed to be transferred to the Fund from Oranga Tamariki [subject to decisions by Cabinet in August].
7. Ministers will also have early decisions to prioritise expressions of interest (once received) for contract consolidation to manage the numbers that progress (quickly) to a more substantial discovery and negotiation stage.
8. The Minister for Social Investment has set an expectation that the Fund will complete at least 20 contracts over 2025/26, including the three demonstrator initiatives. Subject to Cabinet's decisions, we understand that any recommissioning of existing Oranga Tamariki providers could result in new contracts through the Fund from 1 July 2026. The three other funding reviews are working towards Budget 2026 decisions, with any commissioning through the Fund expected to start after 1 July 2026.
9. Recruitment for the first teams in the integrated commissioning function is almost complete, to support the preparations for opening the Fund in August. Further recruitment through 2025/26 will enable capacity to expand to meet the growing demands over the year. Likewise, the focused work programme outlined in this paper (and supporting information) is expected to ensure demands across government departments and agencies are kept to the minimum necessary.
10. The following sections provide more detail on the four workstreams. Appendix 1 provides a "plan on a page" view of this work programme.

Delivery of Budget 2025 initiatives

Initial demonstration Social Investment Fund initiatives

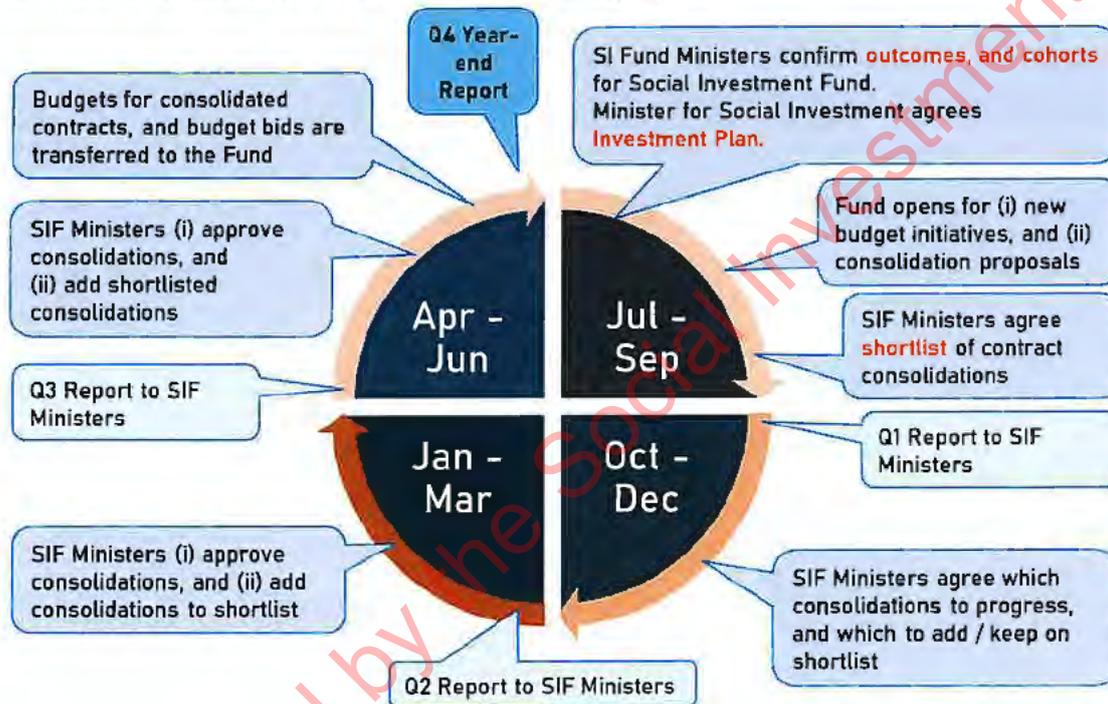
11. In May, the Minister for Social Investment announced the first three initiatives funded by the Social Investment Fund:
 - 11.1 Autism New Zealand's early screening and intervention programme that provides services and support for family/whānau, caregivers and professionals.
 - 11.2 The He Piringa Whare programme with Te Tihi o Ruahine an alliance of nine hapū, iwi, Māori organisations and providers that will support 130 families at a time with a wraparound service that delivers stable housing, education, training and employment, and other services.
 - 11.3 Ka Puta Ka Ora Emerge Aotearoa's evidence-based approach to tackling youth offending and truancy that will help at least 80 families each year to address youth offending and truancy.
12. Outcome based contracts are expected to be signed in July. He Piringa Whare will begin expanded delivery of their wraparound service in July. Autism NZ expect to begin identification and enrolment of children in their early support programme in the Wellington region from October 2025. As the Ka Puta Ka Ora Emerge Aotearoa initiative includes the establishment of two new teams (Christchurch) and a new service in a new location (Hamilton), it is not expected to be fully operational until the first quarter of 2026.

Inviting proposals for new initiatives through the Fund

13. The first round of the Fund will open in August 2025. This first round will model the social investment approach by inviting proposals from capable organisations that are:
 - 13.1 Cohort and outcomes focussed
 - 13.2 Data and evidence based, with a strong theory of change
 - 13.3 Capable of delivery at sufficient scale to enable robust evaluation.
14. Decisions on the priority outcomes and cohorts will enable publication in July of data and analytics on those outcomes and cohorts together with information on the process – as part of a “get ready” phase ahead of opening the August round. This will include a Social Investment Maturity self-assessment tool that will provide an organisation insight into its readiness to engage in social investment, and whether an application would likely be successful.
15. Transparency will be a key feature of the Fund, enabling stakeholders across the community sector to notify the SIA of any concerns relating to proposals prior to decisions being taken. Applications to the Fund will be assessed against published criteria to produce a long-list of proposals that will be published. This long-list will be tested with relevant departments and Regional Public Service Commissioners (RPSCs) for their insights on the proposals and the providers involved. SIA will also work with RPSCs to support community engagement. Insights from government and the sector will inform the detailed consideration process - by a panel - to short-list proposals to progress to contract negotiation.

16. Subsequent rounds of the Fund will follow a similar process. The second round is expected to open in November. The SIA will provide further advice to Social Investment Fund Ministers in September, reviewing the first round and seeking any decisions to update the approach (e.g. to refine the criteria and, potentially, amend the priority outcomes and cohorts) ahead of the second round.
17. Once the Fund methodology is more established, we anticipate priority outcomes and cohorts being set annually, likely around April, to inform the investment plan for the subsequent fiscal year. This can also take account of any Budget decisions to direct funding through the Fund. Figure 1 outlines this annual cycle.

Figure 1: Social Investment Fund – Annual Planning Cycle



Budget 2025 tagged contingencies – Preventing Entry into Care initiatives and Supporting Parenting Practices in the First 2000 days

18. Two tagged contingencies were established in Vote Social Investment through Budget 2025 for evidence-based initiatives that:
 - 18.1 Develop positive parenting practices in the first 2000 days of children’s lives and help reduce child harm (Supporting Parenting Practices); and
 - 18.2 Have a direct impact on preventing children and/or vulnerable adults from going into care (Preventing Entry into Care).
19. Given the opportunity to implement these initiatives in accordance with a social investment approach, authorised Ministers have choices around how best to implement these initiatives which include via:

- 19.1 The Social Investment Fund, subject to the initiatives aligning to the priority outcomes and cohorts for the Social Investment Fund, and
 - 19.2 Existing social sector agencies commissioning services in accordance with a social investment approach.
20. For the Supporting Parenting Practices initiative, the Ministry of Social Development and SIA have provided joint advice to the Ministers for Social Investment and Social Development and Employment that recommends a combination of new investments via the Social Investment Fund and increasing funding for existing services (to scale up existing programmes, meet unmet demand, and reduce gaps in service provision).
 21. For the Preventing Entry into Care initiative, SIA is working with relevant Care Agencies and the Crown Response Office to better understand priority cohorts, and to identify subject matter experts on interventions to reduce entry into care. Based on these discussions, officials will provide advice in July to authorised Ministers seeking agreement for the initiative to be implemented through the Social Investment Fund.

Funding reviews – overview

22. In April, Cabinet agreed that there should be a rolling programme of funding reviews, as one of the SIA's functions. Four agency-led funding reviews are currently underway:
 - 22.1 Oranga Tamariki prevention and early support services, with a report-back to Cabinet due in August;
 - 22.2 Te Puna Aonui's baseline review of Family Violence and Sexual Violence Investment, and the Investing and Commissioning Well action in the second Te Aorerekura action plan;
 - 22.3 9(2)(f)(iv)
 - 22.4 Education and attendance supports, including to explore options to strengthen outcomes contracting of Alternative Education.
23. Given the resourcing requirements of the other workstreams working in parallel, the reviews are not intended to create significant additional work but to form part of existing agency review work. Recommendations to move aspects of agency-commissioned services to the Fund is a possible outcome of these and future reviews. For each of the funding reviews, SIA will work with agencies to develop appropriate transition, communication and engagement plans as required once preferred options and recommendations have been agreed.

Funding review – Oranga Tamariki

9(2)(f)(iv), 9(2)(g)(i)

Baseline review - Family Violence and Sexual Violence Investment

28. SIA has continued to work with Te Puna Aonui, the Interdepartmental Executive Board (IEB) for the Elimination of Family Violence and Sexual Violence on behalf of IEB agencies. The proposed approach to deliver the FVSV review is through the existing "Investing and Commissioning Well" baseline review currently underway.
29. TPA will lead the review, with SIA providing advisory analytical support for the information gathering and assessment processes. Success relies on the support and cooperation of IEB agencies to provide timely and complete information for the review. SIA will also work with TPA to address key considerations, as required.
30. The review will be supported by the existing IEB governance arrangements which cover the Family Violence & Sexual Violence Ministers Group (FVSV Mins) and the IEB Board members. The governance arrangements will ensure a cross-government, sector wide approach will be taken to the review. The intention is that recommendations on the outcomes of the baseline review are brought forward to the IEB and FVSV Mins at key points during 2025/26 to align with budget processes and key decision-making points. Recommendations for change will balance the risks of harm to people impacted by violence, including possible unintended consequences of system change, with the opportunities to improve outcomes through commissioning differently. It is expected that the baseline review findings could then be presented by the FVSV Mins Chair to the following Social Investment Fund Ministers meeting.

9(2)(f)(iv)



Funding review – Education

35. In the Māori Education Action Plan [SOU-24-MIN-0149 refers], the Minister of Education has committed to working with SIA to strengthen the outcomes contracting for alternative education. SIA has been supporting the Ministry of Education to begin scoping this work. This includes scoping a review of students being redirected from mainstream education into alternative provision settings including alternative education.

36. 9(2)(f)(iv)



Rolling programme of funding reviews

37. The purpose for future funding reviews will be to advise on how best to improve outcomes for priority cohorts by optimising where and how government invests. The Social Investment Fund offers a new option – of integrated commissioning for shared outcomes – that can be considered alongside existing delivery models.

38. Such funding reviews may be led by portfolio agencies supported by the SIA, or led by the SIA supported by portfolio agencies. The next meeting of the wider Social Investment Ministers

forum could be used to invite Ministers to consider how and where such funding reviews could be used within their portfolios.

39. There is potential for these funding reviews to inform and be coordinated with the annual Budget process. SIA will work with the Treasury to provide further advice on this approach as part of wider Budget 26 advice.

Community-led pathways

40. In April, Cabinet agreed that non-government and community organisations will be able to identify current funding and contracts that could be transferred to the Social Investment Fund. In the Budget 2025 announcement, the Minister for Social Investment outlined three community-led pathways:

- 40.1 Provider-led contract consolidation
- 40.2 Devolved commissioning proposals
- 40.3 Opportunities for co-investment and innovation funding.

Provider-led contract consolidation

41. Expressions of Interest (EOIs) in contract consolidation will be invited from providers in August. Information on this process will be published in July, highlighting interest in organisations with contracts that:
 - 41.1 Deliver to people and whānau facing multiple challenges across multiple domains or outcomes
 - 41.2 Involve funding from multiple government departments and agencies for different aspects of that support to the same client group
 - 41.3 Collectively, are of a sufficiently significant financial value to justify the effort, and
 - 41.4 Are capable of being transitioned to an outcomes-based contract with the necessary measurement and attribution of outcomes.
42. Figure 2 outlines a high-level process for this contract consolidation. An initial assessment will test with relevant government agencies (at a national and regional/local level) to develop advice for Ministers on which proposals should be progressed. Further work with the applicant and government agencies would then develop a full proposal, including whether and how their existing contractual arrangements could be translated into an outcomes-based format. Ministers would receive advice on the proposals recommended to progress to contract negotiation. Contract negotiation would include advice to responsible appropriation Ministers on how current funding could be reflected in the new consolidated contract. For this first EOI process in August, it is anticipated that new outcome-based contracts could enter into force from July 2026.

Figure 2: High-level process for contract consolidation



Devolved commissioning

43. Targeted engagement and joint design for devolved commissioning is planned. This work has begun with key members of the sector, who are already strongly engaged, and this work will begin to ramp up from September. Depending on this joint progress, opening of EOIs in this area is tentatively scheduled for November.

Opportunities for co-investment and innovation

44. Targeted engagement on innovation and potential co-investment will follow a similar path to devolved commissioning.
45. As the first year of the Fund will be aimed at initiatives that demonstrate the social investment approach, this will tend to favour those with well-established and evidenced programmes. There will be more opportunities for innovation, testing of new theories of change and building the evidence base in subsequent years.
46. We anticipate that the community-led pathways, and particularly the invitation of proposals from philanthropy and other potential funders, will lead to opportunities for the Fund to invest outside of the commissioning of services, for example in evidence-based service innovation. Any such opportunities will be assessed and, where such proposals raise questions about interface with other portfolios, will be presented to Fund Ministers along with other proposals for shortlisting.
47. The SIA will provide further advice on the role of impact investment alongside the Social Investment Fund (defined as an investment approach where non-government capital is intentionally deployed to generate positive, measurable social, cultural, or environmental impact alongside a financial return) by December 2025, following engagement with interested parties and advice from the Social Investment Board.

Consultation and engagement with the sector

48. Appendix 2 provides a summary plan for consultation and engagement on the implementation arrangements with the sector: on the Fund and in the context of the funding reviews.

The Social Investment Fund

49. Building on the Budget 2025 announcements, SIA hosted an initial series of webinars for interested stakeholders to share further information and answer questions about the Fund.
50. The webinars were also an opportunity for SIA to build a set of 'frequently asked questions', set expectations for eligibility in the first round of investment, and gain feedback from relevant stakeholders to shape Fund processes.
51. The webinars were recorded and will be posted on the SIA website, YouTube and LinkedIn, to engage a wider audience. SIA will undertake further webinars and engagement with stakeholders as the Fund is progressed to provide information about the process and criteria for provider-led contract consolidation and devolved commissioning.
52. Building on this initial phase of communication, each round would involve:
 - 52.1 A "get ready" publication of information on the process, the priority outcomes and cohorts and eligibility criteria (including a social investment maturity framework and a self-assessment tool).
 - 52.2 The formal process to request proposals and invite expressions of interest.
 - 52.3 Publication of longlisted applicants to invite feedback.
 - 52.4 Communication of the final decisions.

Funding reviews

53. When undertaking funding reviews, SIA will work with the relevant agencies to communicate with stakeholders about the review process and any decisions arising. This could include:
 - 53.1 The relevant department undertaking early engagement with their wider community of providers on the purpose of the review, the opportunities for different approaches to commissioning and, potentially, inviting input and feedback;
 - 53.2 The relevant department engaging with affected providers where their current contracts will be recommissioned (either by that department or through the Fund) or decommissioned, with a deliberate transition process;
 - 53.3 The department and the SIA working together to handover relationships with providers whose future arrangements are being commissioned through the Fund, and agreeing transitional arrangements (e.g. for service continuity and the transition for existing clients); and
 - 53.4 The SIA then leading the commissioning process to negotiate outcome-based contracts with those providers.

Capability to deliver across the system and specifically in SIA

54. Over 2024/25, a strong foundation was created for the next phase in the SIA's expansion through the appointment of a permanent CE, appointment of senior leaders, organisational change and restructuring, and the development of core capability and systems.
55. Recruitment for the first teams in the integrated commissioning function is underway, to support the preparations for opening the Fund in August. The SIA will appoint three commissioning managers and ten commissioning experts commencing between 30 June and 31 July. Further recruitment through 2025/26 will enable capacity to expand to meet the growing demands over the year.
56. Recruitment is also underway following a redesign of the SIA's finance, corporate and assurance functions, which will bolster our capability to manage a Fund of this size. This will be supported by deliberate expansion of the SIA's investment advice capability to support Ministerial oversight of the Fund, including economic and financial analysis. In the second part of 2025/26, the focus shifts to expand the SIA's system performance and stewardship functions across the social sector more broadly. Appendix 3 provides an overview of the expansion of the SIA's capability and capacity.
57. Likewise, the focused work programme outlined in this paper (and supporting information) is intended to ensure demands across government departments and agencies are kept to the minimum necessary. Funding provided through Budget 2025 allows some "dual-running" of commissioning capability in existing departments and the SIA: to manage the transition of contracts and relationships to the Fund, supported by bespoke governance arrangements to manage the funding review and contract consolidation processes.
58. SIA is working in partnership with agencies to develop these new processes, to manage the interface with existing social services and to build relationships with communities and providers: through existing cross-agency senior official forums, agency-specific arrangements and working with RPSCs.

Public finance arrangements

59. While not expected to be closely involved in the work, Treasury support to agencies and the SIA will be required where advice with fiscal implications is provided for consideration by Social Investment Fund Ministers. This is most likely to be required when developing financial recommendations amending funding arrangements. Key work areas where Treasury's support is expected include:
 - 59.1 **Advising on Budget 2025 Social Investment Fund tagged contingencies** – working with relevant agencies to ensure contingency criteria is satisfied to enable tagged contingency funding to be drawn-down.
 - 59.2 **Funding reviews** – supporting SIA and the funding review agencies to develop appropriate financial recommendations for Ministers where changes are recommended through the review.
 - 59.3 **Contract consolidations** – facilitating with relevant Vote Ministers, fiscally neutral transfers across Votes to enable contract consolidations. While the policy for contract

consolidation is being developed, it is anticipated that SIA would use existing funding provided through Budget 2025 to allow the work to progress to develop a consolidated contract, ahead of decisions on transfers of associated funding. This would allow all such fiscally-neutral transfers to be collated and considered together, either:

- 59.3.1 Every six months as part of the March and October baseline update processes;
or
- 59.3.2 Annually as part of the Budget process, and hence integrated with the overall efficiency and savings processes for the affected Votes and agencies.

Risks and mitigations

60. The key risks for the Fund include:

- 60.1 **Provider expectations:** Some social sector providers have seen contract reductions in the last 18 months and all have had to manage cost pressures. The Fund will be seen as an alternate funding source. Well-defined and well-communicated criteria for the Fund will seek to manage expectations.
- 60.2 **Time to realise benefits:** The Fund is recommending focusing its investments on cohorts that require significant long-term support, and for whom improvements in outcomes will only begin to show gradually. Reporting to Ministers will enable understanding of the possible benefits of investments and will include 'lead' indicators that can show emerging signs of progress towards outcomes for a cohort.
- 60.3 **Expectations of investments:** While we anticipate a strong return on investment – with the positive impacts, for individuals, families and community significantly exceeding the associated costs – even the most successful social supports only have a full impact for some participants. It will be important to be clear about likely success rates and the assessment and attribution of overall net benefits: to enable the Fund to take risks and innovate to expand our understanding of effective early intervention and prevention.

61. The SIA retains a full risk register and closely manages its operational risks.

Next steps

62. The following table outlines a proposed forward agenda for the Social Investment Fund Ministerial Group:

Date	Proposed forward agenda
26 June	<ul style="list-style-type: none"> • Agree Terms of Reference for the Group • Agree outcomes and cohorts of interest for the Fund • Note report-back on implementation, transition and engagement
September	<ul style="list-style-type: none"> • Strategic advice on outcomes and priorities for Budget 2026, including the potential role for the Fund • Advice on options for the stand-alone form of the Fund – interim arrangements by 1 July 2026, and longer term • Further advice on implementation of B25 initiatives, including any changes needed for second round of Fund investment • Next steps following Cabinet decisions on Oranga Tamariki report-back (provisionally, SOU 13/8 and CAB 19/8)
December	<ul style="list-style-type: none"> • Oversight report on implementation of B25 initiatives and ongoing funding reviews • Review operation of Group (feedback loop) including meeting frequency and forward agenda for 2026

Proactive released by the Social Investment Agency

Appendix 1: Social Investment Fund – Implementation plan

SIF Implementation Plan Q1-Q2

	Q1 July – Sept 2025				Q2 Oct – Dec 2025						
SI Fund Ministers	26/6 agree priority outcomes and cohorts; note plan for implementation, transition and engagement				Sept agree approach to co-investment; consider advice on stand-alone form; agree priorities for Fund for Budget 26; review response to Rd 1				Dec – Note Rd 1 Investments Oversight report on Fund performance		
Communication & engagement	Jun ongoing post-Budget comms incl. webinars. Targeted engagement on devolved commissioning		July "get ready" information on Fund outcomes/ cohorts and process for application and assessment.		Aug Fund opens for Rd 1 funding; EOI for provider-led; further info on devolved commissioning.		Sept targeted sector engagement		Oct "get ready" information on Rd 2. TBC EOI devolved commissioning and co-investment	Nov Fund opens for Rd 2 funding; invitations to selected partners for contract consolidation. TBC EOIs devolved commissioning, co-investment pathway	Dec Decisions on Round 1 funding contract closes. Rd 2 closes
B25 Fund initiatives	Jun/July contracts in place for 3 demonstrator projects		From July establishment/ implementation (2 Initiatives) From July service delivery (1 Initiative)		Aug Fund opens for Rd 1 funding		Sept Publish longlisted proposals for feedback		Oct SIF Mins agree drawdown of tagged contingency	Nov Fund opens for Rd 2 funding	
B25 Care Contingency	26/6 Fund Mins note approach				Aug Fund opens for targeted outcomes and cohorts		Sept Fund Rd 1 closes. First panel for longlist.		Oct shortlist feedback. Second panel for selection of proposals	Nov Contract negotiations	From Dec 25 potential contract (s)
B25 Parenting support F2000 days	11/6 Mins SI & CPR confirm preferred approach		26/6 Fund Mins note approach		If agreed delivery through Fund Aug Fund opens for targeted outcomes and cohorts						
Provider-led consolidation	26/6 Fund Mins note approach and priorities				Aug EOI goes live		Sept EOI closes		Oct feedback/ clarification discussions	Nov Selected partners invited to begin work on contract consolidation	
Devolved commissioning			From July targeted sector engagement				Sept Fund Mins confirm priorities and approach		Oct targeted sector engagement	Nov TBC EOIs	
Co-investment							Sept Fund Mins confirm priorities and approach		Oct targeted sector engagement	Nov TBC EOIs	
OT	Jun OT works with SIA on advice for possible transfers (feasibility, transitional arrangements if implemented to support August report back Cabinet paper)				Aug OT report back to Cabinet on new strategic approach to commissioning				Oct TBC possible transfers to SIA to be implemented via OBU		
TPA, Education, HUD	Jun TPA continues baseline review		June SIA confirms scope on education review		July SIA begins work with HUD on funding review of housing support						Nov (TBC) HUD funding review complete and findings drafted
											Initial fundings from education review presented to Ministers

SIF Implementation Plan Q3-Q4

Q3 Jan – Mar 2026		Q4 Apr – Jun 2026	
SI Fund Ministers		Mar Decisions on contract consolidation	June review Fund performance
Communication & engagement	Jan Rd 2 Fund shortlisting	Feb Rd 2 Fund decisions	May potentially B26 initiative/s announced
B25 Fund initiatives	On-going monitoring, learning and reporting service delivery		May onwards Early IDI Impact analysis
B25 Care Contingency	Jan Relevant Mins drawdown of tagged contingency	Feb Rd 2 Fund decisions	
B25 Parenting support F2000 days	Jan Relevant Mins drawdown of tagged contingency (if applicable)	Feb Rd 2 Fund decisions	
Provider-led consolidation		Mar Decisions on contract consolidation (likely contracts from 1 July 2026)	Apr consolidation advice and implemented via Budget 26
Devolved commissioning			
Co-investment			
OT	From Jan commissioning for new contracts in Fund OT decommissioning underway		May potentially B26 decisions announced 1 July contracts in place for transferred providers
TPA, Education, HUD		Mar TPA's advice on FVSV review findings presented to SIF Ministers Mar (TBC) Advice on HUD review findings presented to SIF Ministers	Apr (TBC) advice on review funding transfers to be implemented via Budget 26

Appendix 2: Communications and Engagement Plan

Objectives

1. Provide awareness and set expectations for the Social Investment Fund and pathways
2. Undertake engagement, consultation and feedback for the operation of the Fund
3. Ensure smooth transitional arrangements and clarity for those impacted by funding review decisions
4. Build trust in the Social Investment Agency, and the commissioning approach for the Social Investment Fund through consistent and regular engagement with the sector

Key Stakeholders	Workstreams
<ul style="list-style-type: none"> • Social sector providers • Peak bodies (inc. but not limited to SSPA, Communities Constellation, NZCCSS) • Iwi (Iwi Chairs SI Design Group, National Iwi Chairs, individual Iwi) • Philanthropy (inc. PNZ, Centre for Strategic Investment, Investing for Impact) • Public sector agencies (particularly funding review agencies) • Local government • Social Investment and Social Investment Fund Ministers • General public 	<ul style="list-style-type: none"> • SIF 'Get Ready' (inc. outcomes decided and implementation plan decisions) • SIF EOI and funding application rounds • Community-led pathways • Funding Reviews

Supporting material

- Webinar series
- Media/social media
- Publications: Inc. Provider information including Self-Assessment Tool, Factsheets
- Website updates
- Newsletter and email campaigns
- Briefings
- Sector workshops, conferences
- One-on-one meetings

Approach

- Targeted and open approaches for releases of information to keep sector involved
- Targeted engagement with Iwi leaders in regions on key strategies, policies, system design
- Targeted engagement for individual workstreams
- Attendance and participation in sector conferences, wānanga and hui as invited
- Individual communications & engagement plans for workstreams:
 - Funding reviews (OI)
 - Community-led pathways, design and consultation
 - SIF "Get Ready" release
 - SIF Funding Rounds, EOI (inc. website update, social media, media, newsletter, email campaign to those who have registered interest, peak body engagement)

	June	July	August	Sept	Oct	Nov
SIF Ministers	Decision: Implementation plan and outcomes agreed (26/06)			Decision: Any update to approach and outcomes (TBC)		
Application rounds		'Get ready' publication of information on process, data and analytics, and Social Investment Maturity self-assessment tool (w/o 14/07)	Funding round 1 opens (w/o 17/08) EOI opens for contract consolidation (w/o 17/08)	Final decisions communicated Short listed applicants published Engagement with sector on shortlisted(?)	'Get ready' publication updated as required	Funding round 2 opens EOI opens for devolved commissioning Shortlisted applicants published
SIF and Community-led pathways		Forum: Philanthropy NZ	Conference: INVOLVE National Conference for Youth Development	Conference: SSSA Whakamanawa (speech and workshop on pathways tbc)		
		<p><i>Devolved commissioning: Ongoing targeted engagement and joint design with key stakeholders (philanthropy, Iwi and National Māori Representatives, IMPBs, providers, peak bodies, RPSCs)</i></p> <p><i>Regional engagement with Iwi (NICF, IMPBs, Iwi Accord Partners), National Māori Organisations, on key Strategies, Policies and System Design (establishing ongoing and enduring relationships)</i></p> <p><i>Innovation & co-investment: Ongoing targeted engagement with sector (philanthropy, Iwi, providers)</i></p>				
		Webinar series: Social Investment Fund – what to expect	Webinar: Hui EI Community Constellation 'Get Ready'	Webinar series TBC – next round, learnings, changes		
Standing Engagements	Board meeting Social Sector DCEs	Board meeting Social Sector DCEs	Board meeting Social Sector DCEs	Board meeting Social Sector DCEs	Board meeting Social Sector DCEs	Board meeting Social Sector DCEs
		SIA Newsletter			SIA Newsletter	
Funding reviews			Decision: OI funding reviews			
		<p><i>Work with Oranga Tamariki on communications and engagement plan</i></p> <p><i>Engagement with impacted OI providers and impacted Iwi – bilateral and webinar</i></p>				
				Consultation: Relevant peak bodies		
		<i>Ongoing engagement with agencies undertaking funding reviews</i>				

