



Social Investment Agency
Toi Hau Tāngata

Social Investment Fund Quarterly Update

Q2 2025-26

For the period 1 October – 31 December 2025

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Overview

This is the first quarterly fund update for the Social Investment Fund (the Fund), intended to provide a summary of the performance highlights for the period 1 October to 31 December 2025. Quarterly updates will evolve as the fund matures and performance data from investment is collected over time. Quarterly updates will be published on the Social Investment Agency (SIA) website.

About the Social Investment Fund

Establishment and priorities

Social Investment Minister Hon Nicola Willis announced \$190m in funding through Budget 2025 to establish the Fund as a new way to commission across portfolios, strengthen existing arrangements, and directly invest in the future of New Zealanders who are most in need.

The Fund is designed to invest in early intervention and support services to enable children, young people, and families to achieve a range of outcomes. With these investments we aim to demonstrate what works, so that others can do the same with confidence. Ultimately, the Fund will help us shift the system and be a catalyst for change in the way we support those who need it, change in the way government works with organisations who provide social services, and ultimately change in the life outcomes of children, young people and their families.

Outcomes for the Fund

Social Investment Fund Ministers set the priority outcomes for the Fund:

- focus on priority outcomes (appendix one) and population groups agreed by Fund Ministers (Pathway One only)
- invest early to help New Zealanders overcome a range of challenges to achieve their goals
- enable the Social Investment Agency to test and scale the social investment approach
- work in partnership with social sector organisations, iwi and other agencies.

Four pathways to the Fund

The Fund currently consists of four potential pathways organisations can access, all aimed at unlocking opportunities to deliver better services, changing the way government works with partners and using data to improve the impact of government investment in social services.

Pathway One: New Investment

New investment in initiatives that focus on priority cohorts and outcomes and strongly demonstrate the social investment approach. Selected organisations will work with the Fund to help us test how Government and the social sector can work smarter together, including collaborative and robust approaches to evaluation, learning, and data-sharing agreements.

Pathway Two: Contract Consolidation

This pathway is focused on the consolidation of existing contracts held by social sector or community organisations with one or more government agencies into a single outcomes-based agreement, administered by the Fund. The pathway is designed to reduce the administrative and compliance burden for organisations and provide flexibility to organisations in how they deliver support.

Pathway Three: Community-led Commissioning

Community-led commissioning is testing a new model in which decision-making authority for social service investment is devolved to local leaders, empowering communities to tailor solutions to their specific needs. Last year, SIA spent time talking with community leaders across Aotearoa about how social services could be designed and delivered closer to the people they support.

Pathway Four: Co-investment

Co-investment is a mechanism to enable partnerships with philanthropic organisations or other funders to co-invest in initiatives that amplify collective impact and drive innovation. SIA is engaging with philanthropic organisations, iwi, and local collectives about the potential for co-investment.

Pathway One: New Investment

New Investment is the first pathway into the Fund. It provides new funding to support priority population groups.

Opening of Round One

The Social Investment Agency opened the Fund on 25 August 2025 with the New Investment pathway. In the first round of funding, a total of \$50 million has been allocated to programmes reaching more than 1,600 children and their families, ranging from newborns through to eighteen-year-olds.

In the initial stages, the Fund has focused on new investments in organisations that have the infrastructure and capacity to help us test and scale the social investment approach at pace. This approach enables fast learning and feedback to pave the way for changes that will benefit the wider social sector.

Priority population groups (cohorts)

Social Investment Fund Ministers set the priority population groups (cohorts) for the Fund to invest in Round One.

To qualify for funding under this pathway, organisations that provide social services needed to be working with one (or more) of the following groups:

- Children whose parent(s) are currently or have recently been in prison
- Children of parent (s) who experienced the care system, and
- Children who have been stood down or suspended from school when they were 12 or younger.

Approach to Procurement

Round One

The social investment approach brings together, and builds on, good practice from government agencies and sectors. The approach to procurement in Round One was designed to reduce burden for organisations during the application process and to incorporate community voice into decision making.

Key features included:

- Promoting transparency by providing clear criteria and a self-assessment framework, which forms the basis for assessment of applications
- Support for applicants including detailed guidance, quick guides, webinars and FAQs
- Two stage process, where only those shortlisted are asked for comprehensive detailed information
- Community Feedback process to enable communities to share their views on proposed initiatives progressed through to the second stage
- Online application tools to support a more streamlined process

- Quick turnaround times and opportunities for feedback on applications.

Learnings from the early stages of funding rounds will be used to further improve the process for applicants. These learnings include developing a more interactive process and providing opportunities to invest in smaller and more diverse organisations.

Demonstration Initiatives

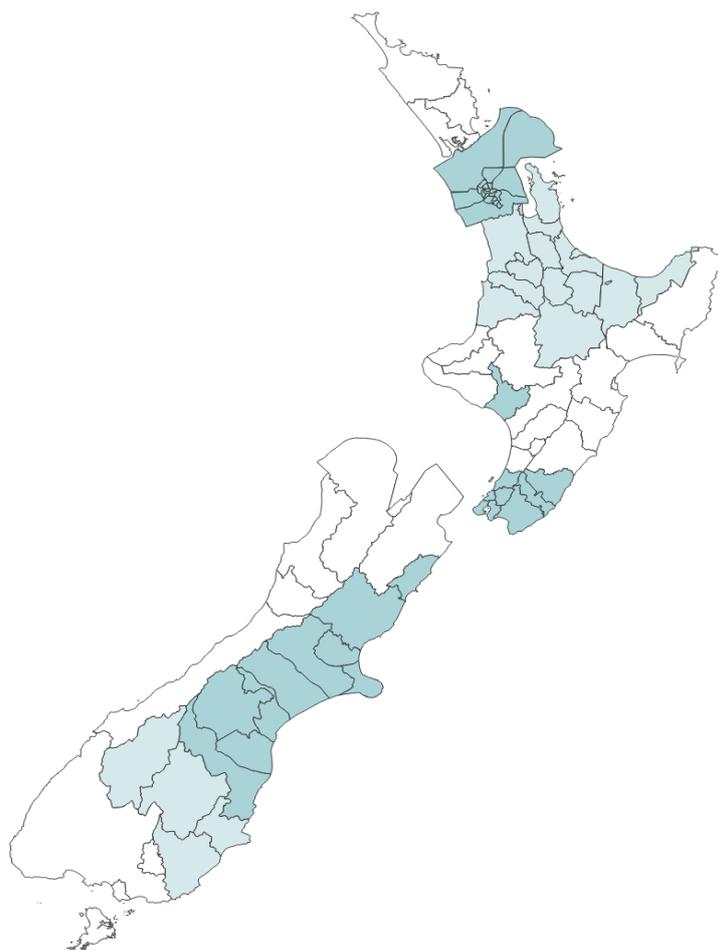
Three demonstration initiatives were funded prior to Round One opening. These initiatives will provide tangible examples of the social investment approach.

The Social Investment Fund was agreed in principle by Ministers in April 2025. Due to Budget confidentiality, this ruled out an open procurement process for the initial demonstrator initiatives.

Instead, a shortlist of 20 initiatives was formally reviewed and assessed by an internal procurement panel and recommendations for funding were made to the Chief Executive of the Social Investment Agency.

Pathway One Selected Initiatives

Three demonstration initiatives have been funded, and seven successful Round One initiatives have been progressed to agreement negotiations.



Note: this map shows location of new investment for both Round One and Demonstration Initiatives

New Investment Round One Summary



187 expressions of interest received in Round One



16 initiatives progressed to Request for Proposal in Round One



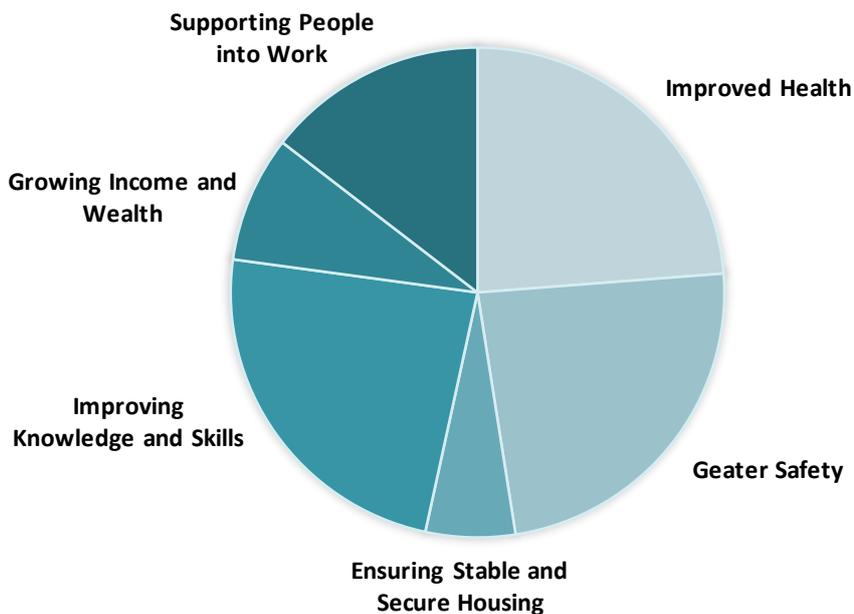
7 new initiatives selected during Round One



1600+ children and their families supported over four years

Outcomes

Indicative Outcomes for New Investment Round One based on proposals are illustrated below:



Note: Outcomes are calculated based on a weighted average of indicative number of people supported by outcome



In this first round of funding, a total of **\$50 million** is anticipated to go towards initiatives reaching more than 1600 children across six priority outcomes

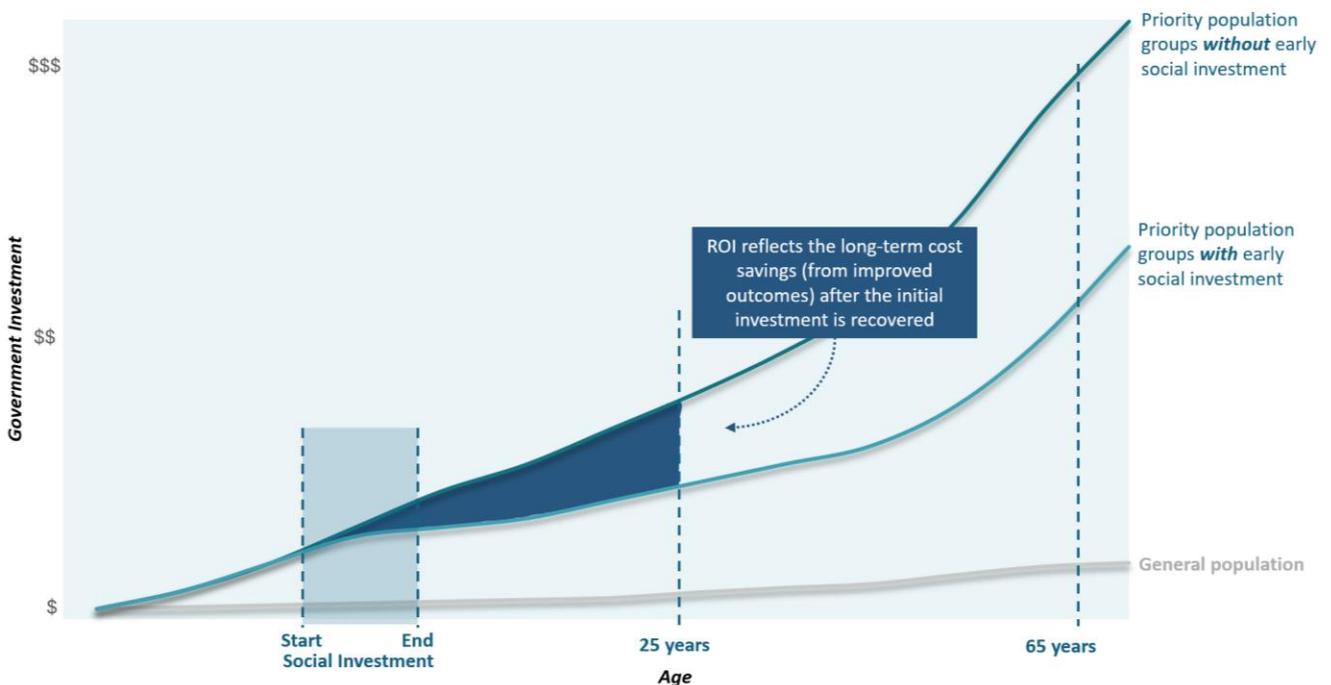
Return on Investment

The Fund invests in long term outcomes with the aim of measuring and reporting return on investment in future years based on a robust theory of change and data collected over time.

Return on investment is realised through investment directed to priority population groups (cohorts), where there is a strong potential to improve outcomes based on analysis from data in the Integrated Data Infrastructure (IDI). Return on investment is expected to be greater when investment happens earlier in a child’s life, leading to better social outcomes and reduced fiscal costs to the Crown over time.

Even if there is marginal adjustment to the future likely outcomes of a child’s life, these benefits will result in continued justification to retain or increase investment.

Indicative Graph on Return on Investment (for demonstrative purposes only)



Initial conservative return on investment calculations for priority population groups indicate that that if the initial investment can improve outcomes somewhere between 10-20% ¹of the time, a return on that initial investment is likely to be realised by the age of 25 years. Additional benefits and reduced fiscal costs are also likely beyond 25 years but have not been factored into initial return on investment calculations. Each funded initiative has an evaluation plan, which will, over time, mean we can refine our forecasts of the return on investment.

¹ Actual ROI is dependent on a range of variables within the population groups supported including age at time of support, particular challenges those young people and families are facing, number of other family members supported, among other things.

Pathway Two: Contract Consolidation

Pathway Two consolidates existing agreements held by social sector or community organisations with one or more government agencies into a single outcomes-based agreement, administered by the Fund.

Contract Consolidation Round One Summary



57 expressions of interest received in Round One



30 initiatives proceeded to community and agency feedback



12 initiatives endorsed for consolidation during Round One



\$95+ million estimated total of consolidated funding over four-year agreement terms



47 existing contracts proposed to be consolidated into 12 new agreements



8 government agencies involved in Round One consolidations

The Contract Consolidation pathway opened for Expressions of Interest for Round One in early September 2025. A total of 57 applications were received with 30 proceeding to the next stage of collecting community and agency feedback. 12 applications were endorsed by an independent Panel and have been progressed to the next stage. Consolidated contracts are expected to be in place by June 2026.

The organisations that progressed to the next stage fall into three key service areas: support for whānau in the first 2,000 days of a new baby's life, prevention and response to family violence sexual violence, and youth support. The amount of funding proposed to be consolidated equals nearly \$24 million per annum.

Pathway Three: Community-led Commissioning

The Community-led Commissioning approach aims to empower local leaders to design and deliver services that are more responsive to local needs and context. The intention is to support local collectives that include regional organisations, iwi, hapū, philanthropists and non-government entities to design and deliver services that meet local needs.

- **Gives communities greater decision-making authority:** by empowering trusted local collectives to shape how services are designed, funded, and coordinated based on what works in their communities
- **Creates space for innovation:** procurement involves a funded discovery and design phase that allows new ideas, local solutions, and joined-up approaches to be tested that will enable robust and informed decision-making
- **Supports better outcomes through partnership:** by combining local knowledge and leadership with government data, systems and investment to deliver more effective, locally tailored support to communities.

SIA will invite Expressions of Interest (EOIs) from community collectives in early 2026. The purpose of the EOI process is to shortlist community collectives that demonstrate strong community leadership and readiness to undertake commissioning activities within their region.

Up to two collectives will then be awarded funding for a Discovery and Design phase enabling them to develop a commissioning framework to inform their response to the subsequent Request for Proposals.

Proposals will be assessed by a specialist evaluation panel, with recommendations provided to Ministers in early 2027.

Pathway Four: Co-investment

Subject to Ministerial decisions, SIA is exploring the potential for a co-investment pathway to improve the alignment and combined impact of Government and non-government funding in the social sector.

SIA is progressing work to explore options for the co-investment pathway, while further engagement is planned to inform advice to Ministers.

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Appendix One – Social Investment Fund Outcomes

Outcome Areas	Fund priority outcomes	Alignment with Government priorities	
Improved Health	Reduced serious health events	Government Targets	
	Reduced potentially avoidable hospitalisations	Government Targets	The Child and Youth Strategy 2024-2027
Greater Safety	Reduced need for children to be placed in state care	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	Increased employment	Employment Action Plan	
	Reduced need to access benefits	Government Targets	Employment Action Plan