



Social Investment Agency  
Toi Hau Tāngata

# Social Investment Fund Quarterly Update

**Q3 2025-26**

For the period 1 January – 31 March 2026

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# Overview

This is the second quarterly fund update for the Social Investment Fund (the Fund), intended to provide a summary of the performance highlights for the period 1 January to 31 March 2026. 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 website.

## Four pathways to the Fund

The Fund invests in robustly evaluated early intervention and support services that support children, young people, and families to achieve positive outcomes. The Fund aims to provide a live demonstration of social investment in practice, and enables Government to develop, test, and scale the tools and skills needed to support the social investment approach.

### **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 will test the impact of reducing the administrative and compliance burden for organisations and providing flexibility to organisations in how they deliver support. As with New Investment, organisations will also work with the Fund to help test smarter ways of working together.

### **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.

### **Pathway Four: Co-investment and Innovation**

Co-investment and innovation involves collaborating with philanthropic, iwi, community, private, and academic partners to jointly fund and further evaluate high-potential initiatives.

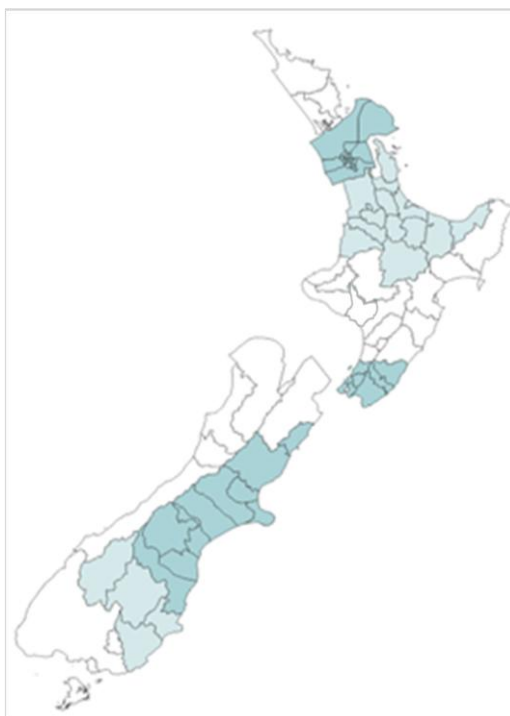
# Pathway One: New Investment

**New Investment is the first pathway into the Fund. It provides new funding to support population groups (priority cohorts) achieve outcomes aligned to the Fund’s priority outcomes.**

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

## Pathway One Selected Initiatives

Three demonstration initiatives have been funded, and six initiatives selected through Round One are progressing through agreement discussions.



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

## Round One

Initiatives selected through Round One of the New Investment Pathways will support one or more priority cohorts:

- 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.

During quarter three, the Fund progressed agreement discussions with selected organisations from Round One. Work continued in partnership to strengthen theories of change and evaluation designs ahead of the signing of agreements, expected to occur by the end of May 2026.

# New Investment Round One Summary

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**6** new initiatives progressing through contract negotiations



**187** expressions of interest received in Round One

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In this first round of funding, up to **\$50 million** is anticipated to go towards initiatives across six priority outcomes



**1,200+** children and their families supported over four years

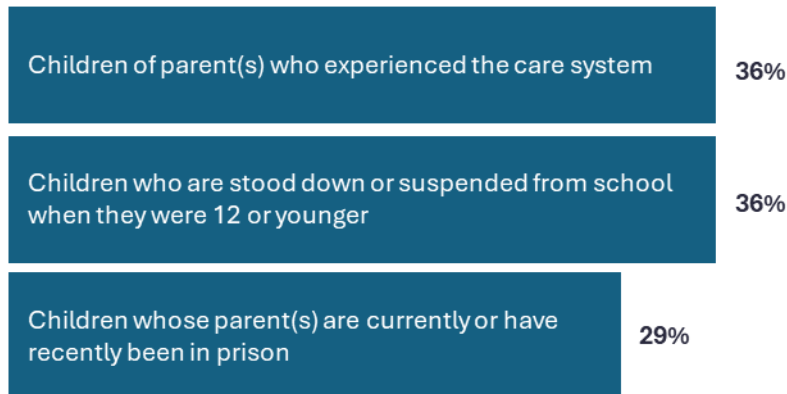
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## Outcomes

Indicative population groups and indicative outcomes for New Investment Round One based on Requests for Proposals are illustrated below:

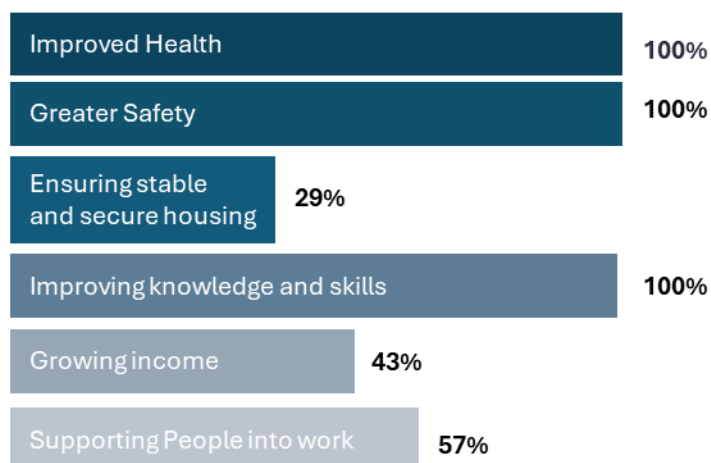
### Populations Groups selected in Round One

Proposals were spread across the population groups outlined below :



## Outcome Areas from Round One initiatives

RFP Proposals were spread across multiple Outcome Areas outlined below:



## Return on Investment

The Fund invests in initiatives that support population groups (priority cohorts) to achieve positive outcomes. The priority cohorts are set by Social Investment Fund Ministers informed by advice from officials on the potential for improved outcomes and reduced future costs to the Crown.

The Fund assesses the potential return on investment for initiatives based on detailed analysis of the life trajectory of population groups *and* the estimated efficacy of the initiative proposed. The efficacy assessment is based on the ‘theory of change’ behind the initiative; the specific design of the services and support; the track record of the organisation; and analysis of whether the organisation will be able to reach the population group.

In the early stages of investment, agreed initial measures of progress are used to assess whether the theory of change is playing out in practice. In the latter stage of investment, detailed quantitative and qualitative evaluation should enable the return on investment to be estimated with increasing accuracy.

We have refined our return on investment analysis for population groups during this report period – using actual contract values. We estimate that a shift in outcomes of between 6-10%<sup>1</sup> for population groups will support a breakeven position (a Return on Investment of ‘one’). This estimate is based on reduced future costs up to the age of 25 only. Additional benefits and reduced fiscal costs are also likely beyond 25 years.

Our initial and tentative estimate of the potential shift in outcomes from our new investments is 15%. It is important to note that robust evaluation of all initiatives will enable more accurate estimates in the future, which will, in turn, inform future investments.

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<sup>1</sup> Actual Return on investment 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, and a range of other factors.

## Opening of Round Two

The Fund opened Round Two New Investment for Registrations of Interest (ROI) on 9 February 2026 and closed it on 10 March 2026. In total, 20 initiatives have been invited to submit a full Request for Proposal, due in late May 2026.

### Additional population group added in Round Two

As part of the response to the inquiry into Abuse in Care, \$25 million was allocated to the Fund to invest in initiatives that prevent children, young people and adults from entering care. To enable investment, the Fund introduced a fourth priority population in New Investment Round Two: Mothers who experience harm from substance use, and their children, from pregnancy up to age five.

The investment to support this fourth population group is expected to reduce the risk of both children and mothers from entering care.

## New Investment Round Two Summary



**138** Registrations of Interest received in Round Two



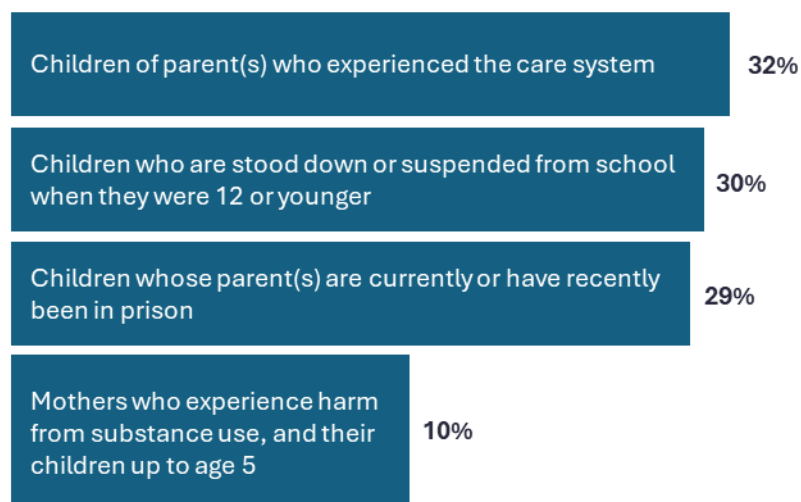
**20** initiatives have been invited to progress to Request for Proposal in Round Two

### Round Two population groups and outcomes

Indicative priority population groups and indicative outcomes for New Investment Round Two based on Registrations of Interest are illustrated below:

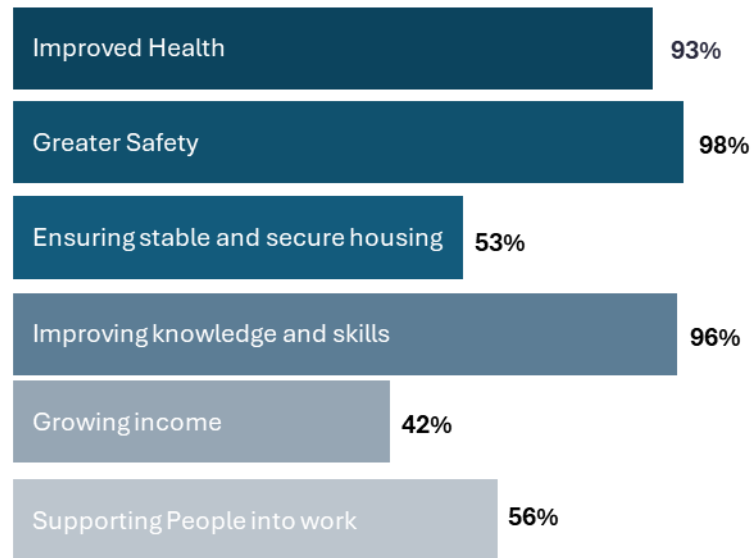
#### Fourth population group (cohort) introduced in Round Two

Proposals were spread across the population groups outlined below :



## Outcome Areas from Round Two initiatives

EOI Proposals were spread across multiple Outcome Areas outlined below:



# 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 are progressing through contract negotiations



**\$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

Following endorsement from the Social Investment Fund Ministerial Group in the previous quarter, the Social Investment Agency has been working closely with applicants on detailed design, prior to finalising contracts before the end of June 2026.

Social Investment Agency also engaged closely throughout this quarter with other social sector agencies including the Ministry of Social Development on system-wide approaches to contract consolidation. This has included early work on consolidation options and their respective use cases, benefits, and the resources needed to deliver them.

Work also continued to further design the approach to contract consolidation including consistent eligibility criteria and avenues for the sector to flag interest in contract consolidation. Further information will be provided over the coming months.

# Pathway Three: Community-led Commissioning

**Expressions of Interest opened on 14 May for the community-led commissioning pathway of the Social Investment Fund.**

The Social Investment Agency is seeking Expressions of Interest from established local groups that are interested in working with government to design a community-led commissioning arrangement for social services in a defined local area.

The community-led commissioning pathway is for local groups who want to take responsibility for the commissioning of social services within a given geographical area.

## **About community-led commissioning**

Commissioning refers to interrelated activities, including planning, engagement, funding, procurement, monitoring and evaluation of services delivered by non-government organisations to individuals, families, whānau and communities who need some support to achieve their goals.

A community-led commissioning arrangement would involve the transfer of relevant social service commissioning budgets from multiple government agencies to a community-led commissioning Entity overseen by a local group.

The local group would use their local knowledge, relationships, data and evidence, and the combined budgets of multiple government agencies to increase the collective impact of local social services.

## **Design and discovery phase**

Ministers have agreed to invest in up to two local areas for 6-12 months to support the **design** of a community-led commissioning arrangement and the development of a full proposal. At the end of the Discovery and Design Phase, Ministers would decide whether to accept the proposal(s) and support the implementation of the proposed community-led commissioning arrangement.

## **What is a local group?**

For this opportunity, local groups are defined as local leaders who are committed to working together to design and propose a community-led commissioning arrangement for their local area. These leaders are likely to be drawn from multiple local organisations. The members of this group may change over time.

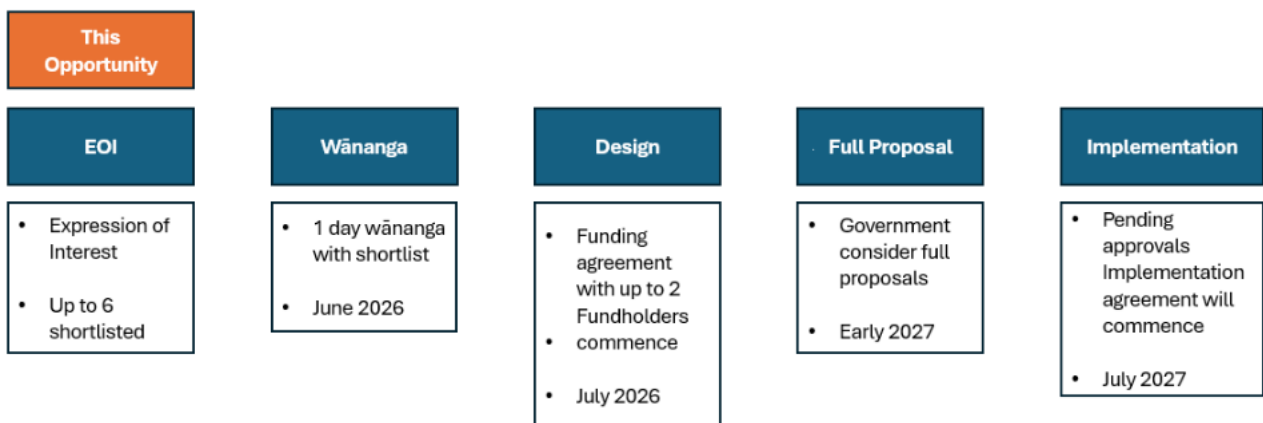
Local groups could include iwi, hapū, local trusts, philanthropy, representatives of existing commissioning agencies and non-government entities. This is a local opportunity, intended for areas with a population size of around 10,000 to 100,000 people.

## Process

There will be three phases for this opportunity:

1. **Expressions of Interest** – an open Expressions of Interest process open from 14 May to 12 June 2026, followed by a Wānanga Phase and the selection of up to two local areas in July 2026.
2. **Discovery and Design Phase** - funding and support for up to two local areas to develop a Full Proposal (August 2026 to March 2027).
3. **Request for Full Proposal** – for shortlisted organisations (January to March 2027).

## Phases



## Pathway Four: Co-investment and Innovation

**The Social Investment Agency is designing a co-investment and innovation pathway in 2026.**

This pathway would co-fund a small number of high-potential initiatives with philanthropic, iwi, community, private and/or academic partners to test new approaches and generate learning to inform future investment decisions.

The Fund would support time-limited initiatives, guided by criteria to ensure alignment with government priorities, agency objectives, and strong potential for successful outcomes. It is anticipated that Expressions of Interest will open in 2026.

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