

Fact sheet

What is social investment?

December 2016

Social investment is about improving the lives of New Zealanders by applying rigorous and evidence-based investment practices to social services.

The fundamental idea is for the social sector to use these methods to achieve better outcomes for at-risk New Zealanders and their families.

People at the centre

Social investment is about people, not agencies.

It's about understanding whether public services to New Zealanders are delivering the right results – for individuals and for the country.

The cross-agency Social Investment Unit (SIU) is responsible for overseeing and coordinating the Government's social investment approach, which will help deliver better outcomes for vulnerable New Zealanders.

What is social investment?

Cabinet has defined **social investment** as:

Putting the needs of people who rely on public services at the centre of decisions on planning, programmes and resourcing by:

- Setting **clear, measurable goals** for helping those people
- Using **information and technology** to better understand the needs of people who rely on social services and what services they are currently receiving
- Systematically **measuring the effectiveness of services**, so we know what works well and for whom, and then feeding these learnings back into the decision-making process
- **Purchasing outcomes** rather than specific inputs, and moving funding to the most effective services irrespective of whether they are provided by government or non-government organisations (NGOs).

Implementation

Implementation will vary and may include:

- A particular **focus** on vulnerable or high-risk groups

- **Investing up front** to support people most at risk of poor outcomes later on in life
- **Greater input** from outside the public sector in analysis, innovation and service provision
- Working with **local organisations** to purchase outcomes for, and on behalf of, communities
- New **citizen-based services** that cut across existing departmental service channels.

Five levels of social investment

The social investment system needs to operate at five levels:

1. **Enablers or foundational tools and infrastructure** – used consistently across the social sector to allow good decision-making
2. **Direction setting** – so the entire social sector is contributing to achieving consistent outcomes for the same vulnerable populations
3. **Delivery** – ensuring service delivery reflects the direction set and uses the data available to inform that delivery
4. **Accountability and incentives** – across the social sector to deliver better outcomes for vulnerable populations



5. **Feedback loops** – using data and measurement to make continually better decisions at all levels of an adaptive system and to support the culture shift required that sees data being used in all decision-making.

- Being most supported by benefits since birth
- Having a parent with a prison or community sentence
- Having a mother with no formal qualifications.

When compared to other children in New Zealand, this priority population is:

- Nearly 14 times more likely to witness family violence
- Nearly twice as likely to have been in hospital with a preventable condition
- 2.5 times more likely to have had a dental referral before starting school
- 6 times more likely to move house at least once a year
- Nearly 37 times more likely to have had a caregiver with current gang affiliations.

Four main elements of social investment

- Using **data** to better understand peoples' current and future needs
- Systematically measuring the effectiveness of services in **meeting peoples' needs**
- Measuring **long-term outcomes** for people over their lifetimes and **feeding back** into decision-making
- Understanding the **fiscal implications** of better outcomes and help to manage the long-term costs to government.

Why do we need social investment?

There is recognition that New Zealand needs to operate in a different way to address serious social issues.

Indicators have identified a wide range of children at risk of poor outcomes.

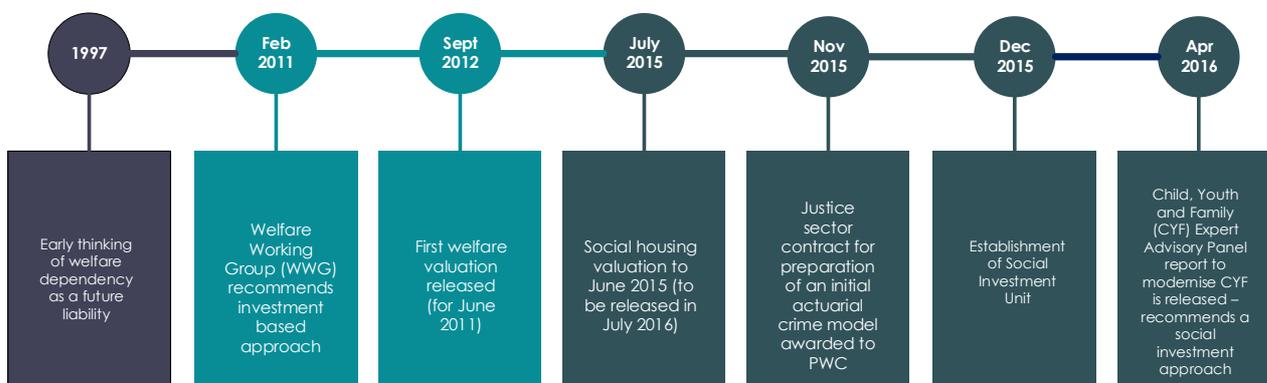
The **four key indicators** of higher risk (children aged 0-14) have been used:

- A Child Youth and Family finding of abuse or neglect

Early thinking

MSD experience

Recent developments



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