



# Budget 2017

## Reducing Pressure on Housing Affordability

# Encouraging Social Impact Investing

The Government will partner with the States and Territories and other stakeholders to trial Social Impact Investing to determine the effectiveness of outcomes-focussed investing in improving housing and welfare for young people.

### The issue

The Government will invest in social impact projects to support innovative approaches to reducing youth homelessness – a complex challenge.

Social Impact Investing (SII) is an emerging, outcomes-focussed approach that brings together governments, service providers, investors and communities to tackle a range of complex policy, social and environmental issues. SII provides governments with an alternative and innovative mechanism to address social and environmental issues while also leveraging government and private sector capital, building a stronger culture of robust evaluation and evidence-based decision making, and creating a heightened focus on outcomes, to the ultimate benefit of the users of services.

The Government will also release a set of principles to guide its involvement in SII.

### The details

From 2017-18, the Government will invest \$10.2 million over 10 years to trial the use of Social Impact Investments aimed at improving housing and welfare outcomes for young people at risk of homelessness.

The trials will be undertaken in partnership with States and Territories and target priority groups, including those supported by specialist homelessness services exiting the out-of-home care system or institutions such as juvenile detention.

It is anticipated that the first investment for youth homelessness would be ready for implementation in 2018-19.

The Government will consult with States and Territories to design a process to identify partner governments.

This project complements broader SII funding where the Government is providing \$20.2 million over 10 years (from 2017-18) to encourage the continued development of the SII market in areas other than homelessness.

This additional funding includes \$8 million over four years to establish an SII Readiness Fund that will help organisations to build their skills and capabilities to develop projects and business plans for SII opportunities.

It also includes \$12.2 million in funding for additional trials of investments in partnership with the States and Territories, and to facilitate data sharing and improved outcomes measurement with the States and Territories.

### Impact

Beneficiaries of these investments would include young people aged under 25 and experiencing one or more risk factors around homelessness. These would include State and Territory government priority groups such as young people exiting the out-of-home care system or institutions such as juvenile detention.

### Budget impact

The cost of the measure for the Social Impact Investments trial Housing Affordability Strategy is \$10.2 million over 10 years (or \$2.1 million over four years).