



- 4 MAY 2017

Dear

On 31 March 2017 you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *Information regarding NZ's first Social Bond, aiming to get people with mental health issues into work, specifically the contracted outcomes that will trigger payments to investors, and what are the contracted time frames?*

Social bonds are an innovative way for Government to contract for social outcomes. Social bonds see private and not-for-profit organisations partner to fund and deliver services to improve social outcomes. If the providers achieve agreed results Government will pay the investors back their investment plus a return. Investor returns depend on the level of results, up to an agreed maximum.

The Ministry of Health created the Social Bond and was the lead agency during the development and procurement stage. The Ministry of Social Development has now taken the lead for the delivery and administration of the Social Bond. Further information is available at: [www.health.govt.nz/our-work/preventative-health-wellness/social-bonds-new-zealand-pilot](http://www.health.govt.nz/our-work/preventative-health-wellness/social-bonds-new-zealand-pilot)

The Social Bonds pilot (Supporting people with mental illness to gain and sustain employment) aims to reduce the number of participants with a diagnosed mental health condition receiving a main benefit, plus associated improvements in health outcomes for those participants once in work for a period of 12 months. The Social Bonds support service is provided in six service centres in South Auckland.

The Ministry has agreed the following outcomes with providers when working with clients:

- At least 43 per cent of participants will cease or partially cease to receive a main benefit, as a result of obtaining employment.

Of those participants

- At least 74 per cent will retain employment for 6 months.
- At least 46 per cent will retain employment for 12 months.

The Ministry will pay each provider an initial enrolment payment for each participant and an employment outcome payment per each participant who has remained in employment. The employment payments are paid each month so long as the clients have met the above criteria.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public shortly. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding the outcomes of Social Bonds, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Yours sincerely



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