

# Request for Proposals

## Social impact investments tackling homelessness

Proposals must be submitted on <https://tenders.nsw.gov.au/>  
by 10:00am AEST on 27 August 2018

Proponents should refer requests for information or  
advice regarding this RFP to:  
[socialimpactinvestment@dpc.nsw.gov.au](mailto:socialimpactinvestment@dpc.nsw.gov.au)

*Any information given to a proponent to clarify any  
aspect of this RFP will also be given to all other  
proponents if, in the opinion of the Office of Social  
Impact Investment, it would be unfair not to do so.*

# Contents

<b>Contents .....</b>	<b>2</b>
<b>1. Background .....</b>	<b>4</b>
<b>1.1 Policy context .....</b>	<b>4</b>
<b>1.2 Purpose of this document .....</b>	<b>6</b>
<b>1.3 Governance of the RFP process .....</b>	<b>7</b>
<b>2. Conditions of submitting a proposal .....</b>	<b>8</b>
<b>2.1 Eligibility to respond .....</b>	<b>8</b>
<b>2.2 Process to develop and implement a transaction .....</b>	<b>8</b>
1. Request for proposal (RFP) .....	8
2. Joint Development Phase (JDP) .....	8
3. Implementation Agreement .....	10
<b>3. Submission requirements .....</b>	<b>11</b>
<b>3.1 Format of submissions .....</b>	<b>11</b>
<b>3.2 Submission questions .....</b>	<b>11</b>
<b>3.3 Additional information .....</b>	<b>16</b>
A) Background information .....	16
B) Basic conditions .....	17
C) Consent .....	17
D) Accreditation .....	18
E) Data Collection .....	18
<b>4. Evaluation .....</b>	<b>19</b>
<b>4.1 Lodgement of proposals .....</b>	<b>20</b>
<b>4.2 Electronic proposals .....</b>	<b>20</b>
<b>4.3 Extension of closing date and closing time .....</b>	<b>21</b>
<b>4.4 Ownership of proposals .....</b>	<b>21</b>
<b>4.5 Confidentiality .....</b>	<b>21</b>
<b>4.6 Variations to proposals .....</b>	<b>22</b>
<b>4.7 Non-complying proposals .....</b>	<b>22</b>
<b>4.8 Acceptance or rejection of proposals .....</b>	<b>22</b>
<b>4.9 Communication / Clarification .....</b>	<b>23</b>
<b>4.10 Ethical conduct .....</b>	<b>24</b>
<b>4.11 Probity 24</b>	
<b>4.12 Exchange of information between NSW Government agencies .....</b>	<b>25</b>
<b>4.13 Disclosure information .....</b>	<b>25</b>

4.14	Anti-competitive conduct .....	25
4.15	Anti-lobbying, improper interference and solicitation .....	25
4.16	Discretion of the state (NSW Government) .....	26
<b>5.</b>	<b>Appendices .....</b>	<b>27</b>
	<b>A. Reducing the risk of homelessness.....</b>	<b>28</b>
1.	Introduction .....	28
2.	What is homelessness? .....	29
3.	Potential cohort .....	32
4.	Intended outcomes.....	33
5.	Principles for effective interventions.....	34
6.	Avoiding duplication with other programs and initiatives.....	38
7.	References.....	46
	<b>B. Outcomes Rate Card.....</b>	<b>48</b>
1.	Introduction .....	48
2.	Homelessness Social Impact Investment Rate Card .....	48
3.	Payment metrics.....	51
5.	References .....	55

### Contact officer details

Proponents should refer requests for information or advice regarding this RFP to:

EMAIL ADDRESS     [socialimpactinvestment@dpc.nsw.gov.au](mailto:socialimpactinvestment@dpc.nsw.gov.au)

Any information given to a proponent to clarify any aspect of this RFP will also be given to all other proponents if, in the opinion of the Office of Social Impact Investment, it would be unfair not to do so.

# 1. Background

The NSW Government believes social impact investment has the capacity to deliver better:

- services and results
- partnerships between the government and non-government sectors
- value for taxpayers.

We work in partnership to achieve better social outcomes for the people and communities of NSW, through social impact investment.

## 1.1 Policy context

**As part of the Social Impact Investment Policy, the NSW Government aims to deliver two investments to market each year**

On 4 February 2015, the NSW Government launched its [Social Impact Investment Policy](#) ('the policy'). The policy builds on the success of the NSW Government's social benefit bonds and sets out the NSW Government's aim to support the broader social impact investment market in NSW, and across Australia. A key action in the policy is the intention to deliver two new social impact investments to the market each year.

**The NSW Government has now delivered six social impact investments, and negotiations for further SII's are in progress**

Since 2013, the NSW Government has delivered six social impact investments:

- the Newpin social benefit bond: expands an intensive, therapeutic support program delivered by Uniting to safely restore children in out-of-home care to their birth families
- the Benevolent Society social benefit bond: delivers the Resilient Families Service, which aims to prevent at-risk children from entering out-of-home care
- the On TRACC social impact investment: delivers intensive support programs to help parolees successfully reintegrate into the community, and reduce levels of re-offending
- the Resolve social benefit bond: to improve the wellbeing of mental health patients, including reducing their use of hospital services
- the Silver Chain social impact investment: provides specialist palliative support for patients in their home and/or community
- the Foyer51 social benefit bond: will support vulnerable young people who have exited out-of-home care to develop the skills to lead independent and fulfilling lives.

The NSW Government continues to develop other investments including one focused on vulnerable young people to reduce youth unemployment, and the concurrent launch of a request for proposals supporting Aboriginal Economic Development.

## **The Office of Social Impact Investment (OSII) on behalf of the NSW Government is seeking innovative partnerships that will invest in earlier intervention to improve social outcomes in complex issue areas**

NSW Government recognises that it cannot solve complex social issues alone. By supporting and harnessing innovations and resources from the non-government sectors, we can deliver better outcomes for the most vulnerable people in our community.

Four key attributes underpin the NSW Government's Social Impact Investment policy:

- **Outcomes focus:** measuring and paying for outcomes
- **Innovation:** removing input controls for services to allow service improvements in response to what works
- **Investment:** shifting spending away from high cost acute services to prevention
- **Partnerships:** collaborating and sharing risks and benefits across government and non-government sectors.

## **This Request for Proposal (RFP) presents an opportunity to deliver outcomes-focused solutions to addressing homelessness**

Absolute growth in homelessness over the last decade has been significant. To address this unsustainable trend, the NSW Government is seeking social impact investment proposals that test innovative prevention and early intervention models to prevent people exiting government services into homelessness.

The NSW Government is also interested in building the evidence base of 'what works' in prevention and early intervention so that effective interventions can be scaled. For these reasons, there is interest in tackling homelessness through social impact investments.

As part of the NSW Budget 2018-19, \$20 million of new funding over four years was allocated to this social impact investment opportunity as part of the NSW Department of Family and Community Services' (FACS) NSW Homelessness Strategy. Note - should a longer contracting period be envisaged, additional funding may be available.

See Appendix 1 for further information on FACS NSW Homelessness Strategy.

## **Proposals in areas outside of homelessness can be developed as part of SII Evolve**

Unlike previous RFPs, this RFP will be limited to ideas addressing the risk of homelessness in NSW. In response to market feedback, OSII is re-designing how SII ideas in other policy and service areas are considered. A new initiative - SII Evolve - will be trialled in 2018 to enable proponents and NSW Government to co-develop SII ideas in a range of policy areas while building capacity for impact investment. Further information on SII Evolve will be provided closer to its launch date.

## **OSII seeks to deliver a range of social investment models in NSW**

It is important to note that social impact investments are not limited to social benefit bonds. To date, we have delivered three social benefit bonds, and two payment by results arrangements.

The NSW Government encourages proposals for various investment models that involve risk

sharing among participants. While NSW Government payments must be linked to the achievement of outcomes, we note that there are a range of complementary funding models and approaches such as social enterprise and philanthropy. In addition to social benefit bonds and payment by results contracts, we are also open to:

- incentive payments
- layered investments
- pooled investments.

Refer to the [Social Impact Investment Policy](#) for further details on a range of models.

### **OSII is building on lessons learnt to deliver investments in a more streamlined way, which is also more accessible to a range of for-purpose organisations**

OSII recognises that sometimes smaller, locally based organisations have the best understanding of how to improve outcomes in their communities. Many of these organisations do not have the resources to engage in what are considered complex investment structures. OSII is working to simplify and streamline processes to make social investment more accessible and relevant to a broader range of organisations.

As a streamlining measure, OSII is piloting an outcomes 'rate card' as part of this RFP. An outcomes rate card is a list of outcomes that government seeks to achieve and the price range that government is willing to pay for each outcome. It is a tool that has been used by government overseas to develop multiple, outcomes-focused projects through a streamlined procurement process. This approach will provide more data upfront and reduce the complexity of measurement frameworks.

Refer to Appendix 2 for a more detailed explanation of the rate card approach.

This RFP also includes an [optional financial model template](#) that aligns with the rate card approach. It should be noted that this template may not be appropriate for all proposals, and it is not required to be used by proponents. We are open to innovative financial models which do not match this template.

OSII will solicit feedback on this approach later in the year as we continue to refine and improve our processes.

## **1.2 Purpose of this document**

---

The purpose of this document is to:

- outline the background to the RFP
- define the terms, conditions and processes for submitting a proposal
- explain the anticipated process and timeframe for evaluating proposals and selecting preferred proponent(s)
- inform proponents of the outcomes NSW Government is seeking to achieve and the values attributable to each outcome that NSW Government is indicatively willing to pay
- inform proponents on what should be included in proposals.

## 1.3 Governance of the RFP process

---

The RFP process will be conducted by OSII but overseen by a Steering Committee of senior officers from the Department of Premier and Cabinet, the Treasury and other relevant NSW Government agencies ('line agencies').

The Steering Committee will appoint an evaluation panel ('the panel') to assess all proposals received through the RFP process. The panel will assess proposals against the evaluation criteria set out in this document (Refer to Section 4). During the assessment process, the panel may ask proponents to clarify aspects of their proposal or provide more information. The panel may also contact other NSW Government agencies to verify a proponent's capability (i.e. reference checks).

Based on the outcomes of evaluation, the panel will then form a shortlist of proponents. At the discretion of the panel, shortlisted proponents may be invited to attend an interview for further clarification of components from their RFP proposal.

The panel will then submit an evaluation report to the Steering Committee, which may recommend that one or more proposals should proceed to the Joint Development Phase (JDP). The Steering Committee may then recommend the NSW Government enter into a JDP agreement with one or more proponents.

If agreed by the NSW Government, a JDP agreement with one or more proponent will be entered into. (Refer to Section 2.2 for process to develop and implement a transaction).

## 2. Conditions of submitting a proposal

### 2.1 Eligibility to respond

---

Proposals must be submitted by a legal entity (or legal entities in the case of a joint proposal or consortia) with the capacity to contract. Where there is a joint proposal, references to a proponent or preferred proponent should include all parties to the proposal.

The NSW Government will only enter into an agreement with a legal entity that has an Australian Business Number (ABN) and is registered for GST. Proponents must state their ABN and GST status in their proposals.

A proponent may submit more than one proposal, and each proposal will be considered independently. Intermediaries and consultants are permitted to be involved in more than one proposal, provided there are adequate processes in place to manage conflicts of interest.

### 2.2 Process to develop and implement a transaction

---

The process for developing and implementing a social impact investment with the NSW Government includes:

#### 1. Request for proposal (RFP)

This RFP seeks innovative proposals for social impact investments to deliver better services and/or infrastructure, to improve social outcomes for individuals and communities in NSW. All proposals will be assessed against evaluation criteria (Refer to Section 4) by an evaluation panel. Based on the evaluation scores of proposals, and recommendations from the panel, the Steering Committee may recommend the NSW Government enter into a JDP with one or more proponents. Proponents will be notified in writing of the outcome of their proposals in September 2018.

#### 2. Joint Development Phase (JDP)

If agreed by the NSW Government, the preferred proponent/s will be invited to enter into a JDP with the NSW Government, through its relevant NSW Government agency. As the contracting entity, FACS is likely to lead the JDP, with support from OSII.

The purpose of the JDP is to develop proposals to a level suitable for contracting. Responses to this RFP will form the basis of the JDP, but proposals may evolve.

The JDP features a high degree of collaboration and negotiation to develop an investment structure that satisfies all parties. Matters expected to be negotiated during this JDP are set out below (see below Implementation Agreement).

A JDP agreement between the preferred proponent and the NSW Government will be executed prior to starting the JDP. The JDP agreement governs the terms of the relationship between the preferred proponent and the NSW Government, and will address matters including:

- ownership of any intellectual property generated during the JDP
- the process for negotiating and reaching agreement on the Implementation Agreement



- the dispute resolution process and termination
- the sharing of information between the preferred proponent and NSW Government.

A [sample JDP agreement](#) is available on the OSII website. Review this document carefully before you submit your proposal as you will be expected to sign the JDP agreement should you be selected as a preferred proponent. Identify in your proposal any concerns you may have with the standard terms of the agreement.

The NSW Government estimates the JDP will take six months. At the end of the JDP, the NSW Government representatives from the JDP team will review the final proposal against the evaluation criteria of the RFP and recommend to the Steering Committee whether to proceed with implementation. The Steering Committee will then decide whether to recommend to the relevant Minister/Treasurer that the NSW Government to enter into an Implementation Agreement with the preferred proponent.

If a proposal is subsequently shown to be unviable through the JDP, another proposal from the RFP process may be brought forward and a further JDP agreement negotiated with the relevant proponent. However, the NSW Government may instead decide to open the next RFP. In this case, proposals from previous RFP rounds may be resubmitted.

Any costs, losses or expenses incurred by proponents during the RFP and JDP processes must be met by the proponent themselves. Such costs include, but are not limited to, expenses incurred by the proponent in preparing and submitting its proposal(s), attending meetings and providing further information, or engaging advisors.

 Refer to the [Office of Social Impact Investment website](#) for a sample JDP agreement and Implementation Agreement.

**Note:** Selection as a preferred proponent through the RFP process and entering into a JDP agreement with the NSW Government is not a guarantee of proceeding to an Implementation Agreement.

The likely social impact and value for money of proposed investments will be crucial in determining whether to proceed with implementation. Proposals must represent an effective use of public funds, relative to other non-social impact investment funding options available to the NSW Government for the same improvement in outcomes.

### 3. Implementation Agreement

The terms and conditions of an Implementation Agreement will be negotiated with the preferred proponent as part of the JDP. The Implementation Agreement is expected to include:


- details of the target cohort, including location and referral arrangements
- contract duration and any extension provisions
- ownership of intellectual property from the transaction
- details of targets, comparison groups if appropriate, and other measurement arrangements
- payment triggers
- a payment schedule covering performance scenarios (expected, below expected, good performance and over-performance)
- allocation of risk between parties to the investment
- dispute resolution provisions including a mechanism to resolve client issues
- break clauses for all parties
- any options for re-contracting at the conclusion of the contract term
- details of any evaluation.

The relevant NSW Government agency will enter into the Implementation Agreement with the preferred proponent, if the proposal is approved by the NSW Government. A sample JDP Agreement and Implementation Agreement, along with other sample legal documents that may be needed for social impact investments with the NSW Government, are available on the [Office of Social Impact Investment website](#). The NSW Government envisages that any negotiation in relation to the terms of these documents will be limited.

## 3. Submission requirements

### 3.1 Format of submissions

Each proposal should respond to the submission questions set out in Section 3.2 (Submission questions) below. Submissions may include additional attachments as appropriate, but submissions must be no longer than **30 pages in length** (including appendices). Each submission should include a financial model that supports the responses under the financial viability section. Where proposals exceed 30 pages, the panel will not consider information in the additional pages. Font size is to be a minimum of 11 point and all pages must be A4. All financial information must be in Australian dollars.

 For more guidance on what is required in proposals, please refer to the [Lessons from the 2015 requests for social impact investment proposals](#), which sets out observations and lessons from previous RFPs.

### 3.2 Submission questions

Question	Supporting notes
<b>Question 1: Social Issue</b>	
<b>1) What is the social issue your proposal seeks to address?</b>	<ul style="list-style-type: none"> <li>Describe the current state of homelessness as it relates to your proposal. Please use data that is specific to your region and cohort where possible (e.g. current homelessness rates for your cohort in the proposed region)</li> </ul> <p><i>Note – Proposals should clearly address the issue of homelessness</i></p>
<b>Question 2: Target cohort</b>	
<b>2a) Cohort definition: how will the client group (“intervention group”) be identified and defined?</b>	<ul style="list-style-type: none"> <li>Proposals should outline clear and objective eligibility criteria for the Intervention Group. Please be specific about the characteristics of the proposed intervention group, (e.g. age, location, demographics).</li> <li>What evidence will be used to determine eligibility, and who will be responsible for managing/verifying eligibility?</li> </ul>

Question	Supporting notes
<p><b>2b) Cohort size: how many people will be in the intervention group over the life of the project?</b></p>	<ul style="list-style-type: none"> <li>• Proposals should outline total cohort size, explaining any annual variations or scaling up of the program.</li> <li>• Proposals should also include evidence that supports these suggested numbers. <i>Note – there is no minimum cohort size per se, however, small cohorts are harder to demonstrate robust measurement of outcomes, and smaller transactions will need to justify transaction costs. (To date, the cohort size of social impact investments in NSW have ranged between approximately 300 – 8,000 people over the course of the investment).</i></li> </ul>
<p><b>2c) Referral route: how will the intervention group be referred to the program?</b></p>	<ul style="list-style-type: none"> <li>• Proposals should define an efficient and objective referral process.</li> <li>• Proponents should clearly note how those who decline to participate will be considered. <i>Note – Previous investments apply an Intention to Treat (ITT) approach where those referred who decline to participate are still included in the measurement of performance.</i></li> <li>• Proponents should identify relationships with relevant referral government agencies and/or local partners.</li> <li>• Proposals should note the method by which referrals will be prioritised (e.g. first in, highest need, certain criteria, highest chance of success).</li> </ul>
<p><b>Question 3: Proposed service</b></p>	
<p><b>3) What is the proposed intervention to be delivered?</b></p>	<ul style="list-style-type: none"> <li>• Describe the service to be provided, including detailed roles of proposed partners and delivery locations. <i>Note - Please be clear what services/partnerships are pre-existing, and what will be developed as part of this proposal.</i></li> <li>• Proposals should demonstrate how the service or program will achieve the targeted outcomes by providing a clear program logic. <i>Note the <a href="#">Technical Guide for Outcomes Measurement</a> provides guidance on developing a Program Logic</i></li> <li>• Proposals should demonstrate how the service or program incorporates nationally or internationally accepted best practices for successful interventions in the policy area.</li> <li>• Proponents should clearly articulate the potential to scale the proposed service or program if proven successful.</li> </ul>

Question	Supporting notes
<b>Question 4: Additionality</b>	
<b>4) How does the proposed program complement existing services?</b>	<ul style="list-style-type: none"> <li>• Please specify how the service addresses an unmet need or targets those not currently accessing services.</li> <li>• Proposals should also outline any plans to partner with existing local services to maximise effectiveness and minimise duplication.</li> </ul> <p><i>Refer to Appendix 1 for an overview of some key programs relating to homelessness.</i></p> <ul style="list-style-type: none"> <li>• Proposals should clearly articulate additionality above existing services, and NSW Government business as usual.</li> <li>• Proposals should also consider how the service or program contributes to wider system change or learning (e.g. what will we uniquely learn from this initiative?).</li> </ul>
<b>Question 5: Outcomes</b>	
<b>5a) Payment outcomes and metrics: what outcomes do you seek to achieve and what are the specific metrics that you have chosen?</b>	<ul style="list-style-type: none"> <li>• Please specify the outcome/s and metric/s from the Rate Card that will be targeted.</li> </ul> <p><i>Note: Refer to Appendix 2 for details of the outcomes/metrics included in the Rate Card.</i></p>
<b>5b) Data source: what data source/s do you plan to use to demonstrate your payment outcomes?</b>	<ul style="list-style-type: none"> <li>• What data systems will be used to collect and manage the requisite outcomes data, and any optional management data? Please specify if any government data systems are included (including NSW Government data systems).</li> </ul> <p><i>Note: Proponents should consider the costs and practical steps for collecting the data required, including the impact on clients.</i></p>

Question	Supporting notes
<p><b>5c) Additional outcomes for evaluation purposes: what outcomes not included in the rate card would be valuable to evaluate?</b></p>	<ul style="list-style-type: none"> <li>• What additional outcomes should be measured to understand the impact of the proposed service?</li> </ul> <p><i>The NSW Government recognises that there will be a complex interaction of outcomes that cut across multiple Government agencies. In order to simplify investment development and manage transaction costs, a subset of payment metrics has been adopted in the outcomes Rate Card.</i></p> <p><i>The NSW Government draws a distinction between payment metrics and broader metrics used to support evaluation. Proponents are invited to propose evaluation questions related to outcomes <b>not</b> included in the Rate Card. This would be for program evaluation purposes only.</i></p> <ul style="list-style-type: none"> <li>• Please also discuss the data source/s you plan to use to demonstrate these outcomes and metrics.</li> </ul>
<p><b>Question 6: Impact</b></p>	
<p><b>6a) What level of change in outcomes do you anticipate achieving?</b></p>	<ul style="list-style-type: none"> <li>• What level of change in outcomes do you anticipate achieving? e.g. we will deliver 30% increase in sustained housing, relative to the historical baseline.</li> </ul> <p><i>Note: The level of change stated should be consistent with your financial assessment (question 8).</i></p>
<p><b>6b) What evidence is available to support your outcomes targets?</b></p>	<ul style="list-style-type: none"> <li>• Proposals should outline the evidence available (e.g. past performance, academic research) that has led to suggested outcome targets.</li> </ul>
<p><b>6c) Are there any non-financial benefits you expect will accrue from the program?</b></p>	<ul style="list-style-type: none"> <li>• For instance, the benefits experienced by individuals and the community.</li> </ul>

<b>Question 7: Organisational capacity / skills</b>	
<b>7) What skills/experience does your organisation bring to successfully deliver this proposal?</b>	<p>Please provide supporting evidence of:</p> <ul style="list-style-type: none"> <li>• delivering similar programs and achieving agreed outcomes</li> <li>• effectively managing partnerships with government, investors or other partners</li> <li>• capability to administer all aspects of the proposed investment, including service delivery, managing partnerships, IT systems, financial management and data collection</li> <li>• an existing or proposed governance structure that is relevant to the proposed service (e.g. clinical governance, data governance).</li> </ul>
<b>Question 8: Financial assessment</b>	
<b>Social impact investments seek to deliver an appropriate sharing of risks and benefits across the government and non-government sectors.</b>	
<b>8a) Financial viability: Demonstrate the viability of the proposal to different stakeholders.</b>	<ul style="list-style-type: none"> <li>• Include a financial model that demonstrates the viability of your proposal. Only include the outcomes specified in the Rate Card, noting indicative values attributable to each outcome.</li> </ul> <p><i>Note – The Rate Card uses indicative values attributable to each outcome. The proponent may adjust this value based on the complexity of the cohort targeted.</i></p> <p><i>OSII has provided an optional financial model to support this question. Proponents may submit their own financial model if preferred.</i></p> <ul style="list-style-type: none"> <li>• Include a cost/benefit assessment for various stakeholders under a range of scenarios (expected case, downside case, upside case).</li> <li>• Explain the proposed distribution of risks and returns achieved in each of the scenarios.</li> </ul> <p><i>Note: the distribution of risk and reward should be fair across all scenarios.</i></p>

<p><b>8b) Value proposition: Describe the value proposition for government, your organisation, and investors (if relevant) to deliver your program.</b></p>	<ul style="list-style-type: none"> <li>• Which government departments (Local, State and Commonwealth) benefit financially from achievement of the targeted outcomes?</li> </ul> <p><i>Note – savings to the state are most relevant to developing the value proposition for NSW Government.</i></p> <ul style="list-style-type: none"> <li>• What is the benefit to your organisation(s) of the proposed service model?</li> <li>• What are the benefits to investors (if relevant) of the proposed service model?</li> </ul>
<p><b>8c) Funding source: how will you fund the working capital for service delivery in advance of any outcomes payments made by Government?</b></p>	<ul style="list-style-type: none"> <li>• Funding sources could include: organisation reserves, philanthropy, revenue generating activities (e.g. social enterprise), or other external investment.</li> <li>• Where external investment is envisaged, describe the basic investment structure, and how you plan to raise the capital required.</li> <li>• Specify if a percentage of upfront funding from government (advance payment) will be required, and what percentage is proposed.</li> </ul> <p><i>Note: see below for information on advance payments.</i></p>
<p><b>Government Advance Payments (previously called Standing Charge)</b></p> <p>With many international bond models, all risk is transferred to investors. This has not been the case with social impact investments in NSW. Recognising the early stages of the social impact investment market, the NSW Government has historically provided an advance payment to improve the risk profile for investors. The level of advance payment, if necessary at all, will be determined on a case-by-case basis.</p> <p>Advance payments may be structured as a one-off payment or as regular payments throughout the life of the contract. They enable an appropriate risk/return profile for the investors and/or delivery organisation. It is important that advance payment arrangements give the NSW Government an appropriate risk profile in the context of the risk allocated to investors and the proponent.</p>	

### 3.3 Additional information

#### A) Background information

The following requested information is mandatory. Proposals must outline the organisation (or organisations) involved in the proposal, as well as key personnel who will be involved in the JDP if the proposal is successful through this RFP. Contact details must also include:

- Trading name and ABN for each organisation involved in the proposal.
- Type of legal entity for each organisation involved in the proposal.
- GST status for each organisation involved in the proposal.
- Business address for each organisation involved in the proposal.



- Details of nominated contact person for the proposal. This should be one person for each proposal who is authorised on behalf of all participating organisations to be the contact person for the proposal.
- The contact details for any advisors to the proposal and their role/responsibilities in developing the proposal.

The evaluation panel's nominated contact officer (or that officer's nominee) may contact proponents during the assessment process to clarify elements of proposals and/or seek further information. The proponent's nominated person will be contacted in the first instance for all such communication.

## B) Basic conditions

In addition to meeting the social impact criterion, proposals must also meet the basic conditions set out below to be eligible for assessment:

- Proponents must provide contact details for at least two independent referees. If possible, referees should have experience of previous work done by the organisation(s) involved in the proposal. The panel may contact referees at its discretion. If deemed necessary and justified, the panel may also seek additional referees.
- Proponents are required to disclose any existing contracts (with the NSW Government or other entities) in areas that may be relevant to the proposal.
- If selected as a preferred proponent through this RFP process, proponents must be willing to participate in the JDP according to the terms of the JDP agreement.

The panel may, at its absolute discretion, exclude proposals that fail to meet these basic conditions from this RFP process without further consideration.

## C) Consent

The philanthropic community has expressed interest in proposals that align with their funding objectives. This includes proposals that are being progressed to the JDP phase and proposals that are not being progressed. Where consent has been provided, OSII will work with Philanthropy Australia to consider potential engagement opportunities with relevant Philanthropy Australia members, where potential funding/partnership opportunities may be explored.

**Include in your proposal if you consent to OSII providing your contact details and/or RFP documentation to Philanthropy Australia for this purpose.**

*Philanthropy Australia's membership consists of approximately 800 trusts, foundations, organisations, families, individual donors, professional advisers, intermediaries and not-for-profit organisations.*

## **D) Accreditation**

All providers who deliver services under the FACS Homelessness Program are expected to be accredited to the Australian Service Excellence Standard (ASES) Certificate level by 30 June 2023 in order to receive funding after that date. It will be the responsibility of successful Specialist Homelessness Services proponents to ensure they meet the ASES accreditation.

## **E) Data Collection**

Successful proponent(s) are expected to submit data in a format required by FACS. This may be in the FACS Client Information Management System (CIMS) that is used for Specialist Homelessness Services or it may be in another platform. This will be confirmed during the JDP.

## 4. Evaluation

Proposals will be assessed against the evaluation criteria listed below. Proposals will need to address all criteria to a high standard to be considered suitable for a social impact investment.

Evaluation criteria	Submission Questions	Weighting
1. Demonstrates social impact in the policy area of homelessness (pass/fail) <ul style="list-style-type: none"> <li>• Measurable individual or community social benefits will be delivered</li> </ul>	1	Pass / fail
2. Service offering <ul style="list-style-type: none"> <li>• Clearly defined target cohort</li> <li>• Well developed service model and partnerships</li> <li>• Clear articulation of additionality, innovation and scalability</li> </ul>	2,3,4	25%
3. Outcomes <ul style="list-style-type: none"> <li>• Appropriate outcomes and metrics</li> <li>• Robust, accessible data source(s)</li> <li>• Appropriate change in outcomes</li> <li>• Appropriate evidence to support change in outcomes</li> <li>• Appropriate consideration of evaluation and non-financial outcomes</li> </ul>	5, 6	25%
4. Likely to achieve outcomes <ul style="list-style-type: none"> <li>• Organisational capacity / skills</li> </ul>	7	25%
5. Financial assessment <ul style="list-style-type: none"> <li>• Financial viability</li> <li>• Value proposition to various stakeholders</li> <li>• Availability of funding</li> </ul>	8	25%

## 4.1 Lodgement of proposals

---

Proposals (including all supporting information, if any) must be fully received by 10:00am AEST on 27 August 2018.

Late proposals will not be considered except where the panel is satisfied that the integrity and competitiveness of the RFP process has not been compromised. The panel will not penalise any proponents whose proposal is received late if the delay is due solely to mishandling by the NSW Government.

## 4.2 Electronic proposals

---

All proposals must be submitted electronically on <https://tenders.nsw.gov.au> and will be treated in accordance with the *Electronic Transactions Act 2000* (NSW).

A proponent, by electronically lodging their proposal, is taken to have accepted the conditions shown in the conditions and rules on the Department of Finance, Services and Innovation (DFSI) tenders website at <https://tenders.nsw.gov.au>, and to have accepted the conditions set out in this RFP document.

Signatures are not required but the proponent must ensure that a proposal is authorised by the person or persons who may do so on behalf of the proponent, appropriately identifies the person, and indicates the person's approval of the information communicated.

Electronically submitted proposals may be made corrupt or incomplete, for example, by computer viruses. The NSW Government may decline to consider for acceptance a proposal that cannot be effectively evaluated because it is incomplete or corrupt. Proponents must note that:

- To reduce the likelihood of viruses, proposals should not include any macros, applets, or executable code or files.
- Electronically submitted files should be free from viruses and should be checked using an up to date virus-checking program before submission.

The NSW Government will not be responsible in any way for any loss, damage or corruption of electronically submitted proposals.

If a proponent experiences any persistent difficulty with the DFSI tenders website in submitting a proposal or otherwise, they are encouraged to advise the OSII promptly by email to [socialimpactinvestment@dpc.nsw.gov.au](mailto:socialimpactinvestment@dpc.nsw.gov.au).

Proponents may break down the lodgement of large proposals into smaller packages if clearly identified (e.g. Package 1 of 3) and must provide clear directions as to whether the lodgement is:

- supporting information
- a further part of the proposal that has previously been lodged.

### **4.3 Extension of closing date and closing time**

---

The NSW Government may, in its absolute discretion, extend the closing date and closing time of this RFP.

If there is an extended defect or failure of the DFSI tenders website or e-Tendering system and the NSW Government is advised as indicated above, the closing date and closing time may be extended if the NSW Government is satisfied that the RFP process will not be compromised by such an extension.

### **4.4 Ownership of proposals**

---

All proposals become the property of the NSW Government on submission. The NSW Government may make copies of the proposals for any purpose related to this RFP.

### **4.5 Confidentiality**

---

Any information received by the proponent in connection with the RFP, in whatever form it is received, is confidential to the State of NSW and/or its relevant agencies. The proponent and its personnel must not use or disclose to any person such information, in whole or in part, except to the minimum extent necessary for the purposes of preparing its proposal. The proponent may disclose such information to a bona fide independent consultant retained by the proponent for the purposes of preparing or submitting their proposal.

Without limitation, the proponent will not in any way publicise that they propose to submit or that they have submitted a proposal or the content of any proposed or submitted proposal in response to this RFP. The proponent and their personnel must not at any stage make any public statement or in any way disclose information about the RFP process or any aspect of that process, including selection for entry into any JDP or Implementation Agreement under this RFP, to any person without the express written permission of the NSW Government.

The restrictions under the above paragraphs do not apply to the extent that:

- the information is generally available to the public (other than as a result of the wrongful disclosure by the proponent)
- the information is required to be disclosed by any law or under the lawful compulsion of any court, tribunal, authority or regulatory body.

Failure to comply with these confidentiality requirements may be taken into account by the NSW Government when considering the proponent's proposal and may result in the proposal being passed over.

## 4.6 Variations to proposals

---

At any time after the closing date and closing time, and before the NSW Government accepts any proposal for entry to the JDP, a proponent may vary its proposal:

- by providing the NSW Government with further information by way of explanation or clarification but not by way of introducing new information, as noted below
- by correcting a mistake or anomaly
- by documenting agreed changes negotiated.

Such variation may be made either at the request of the NSW Government or with the consent of the NSW Government at the request of the proponent, but only if:

- in the case of a variation requested by the proponent to provide information by way of explanation or clarification or to correct a mistake or anomaly, it appears to the NSW Government reasonable in the circumstances to allow the proponent to provide the information or correct the mistake or anomaly
- in the case of a variation to document agreed changes negotiated, the NSW Government has confirmed that the draft documented changes reflect what has been agreed.

If a proposal is varied in accordance with the above provisions, the NSW Government will provide all other proponents whose proposals have similar characteristics with the opportunity to vary their proposals in a similar way.

The NSW Government may refuse a request to vary a proposal. Variations will not be permitted if the NSW Government is satisfied that:

- it would substantially alter the original proposal and would give a proponent an unfair advantage over other proponents
- in the case of a variation requested by the proponent to provide information by way of explanation or clarification or to correct a mistake or anomaly, it would result in the revising or expanding of a proposal in a way that would give the proponent an unfair advantage over the other proponents.

## 4.7 Non-complying proposals

---

A proposal that does not address the requirements of section 3 (format of submissions) above may be considered non-compliant. Before making any determination as to acceptance or rejections of a proposal, the OSII (in its role as compliance assessors) may, provided it is satisfied that the integrity and competitiveness of the RFP process has not been compromised, give a proponent of a non-complying proposal the opportunity to rectify any non-compliance.

## 4.8 Acceptance or rejection of proposals

---

It is not intended by the NSW Government, and the proponent should not consider, that the issuing of this RFP or a submission of a proposal to it commits, obligates or otherwise creates a legal relationship in respect of entering into a contract with the proponent.

The NSW Government is not bound to select any proposal for participation in the JDP or for

implementation. If the NSW Government rejects all proposals received, it may invite fresh proposals based on the same or different criteria.

Selection of a proposal for participation in the JDP will be subject to the issue of a letter of selection to the preferred proponent and entry into a JDP agreement with the relevant NSW Government agency. Entry into a JDP agreement must not be construed as an indication or representation to the proponent by the NSW Government or the relevant NSW Government agency that the proponent will be selected as the successful proponent and that an Implementation Agreement will be entered into with the proponent to give effect to the social impact investment proposed.

The NSW Government will not, in any circumstances, be responsible for any costs incurred by a proponent arising out of or in connection with the RFP including without limitation:

- in preparing and submitting a proposal
- participating in the JDP, including the negotiating the terms of the Implementation Agreement
- not being selected as the successful proponent
- discontinuance of this RFP.

## 4.9 Communication / Clarification

The NSW Government acknowledges that information gaps may exist, and further information may be required by proponents to develop proposals in response to this RFP. The NSW Government may be able to provide additional information in response to queries about specific proposals. Any such queries should be directed to the OSII by email to [socialimpactinvestment@dpc.nsw.gov.au](mailto:socialimpactinvestment@dpc.nsw.gov.au). Requests for additional information must be received before 5pm AEST on 20 August 2018.

Information the OSII can and cannot provide is listed below:

We can:	We can t:
<ul style="list-style-type: none"> <li>• provide general information about social impact investing</li> </ul>	<ul style="list-style-type: none"> <li>• develop and implement proposals outside a formal RFP process</li> </ul>
<ul style="list-style-type: none"> <li>• provide general information on NSW Government activity and priorities in social impact investing</li> </ul>	<ul style="list-style-type: none"> <li>• give detailed advice or feedback on proposals prior to or during a formal RFP process</li> </ul>
<ul style="list-style-type: none"> <li>• provide information on RFP processes, timing and requirements</li> </ul>	<ul style="list-style-type: none"> <li>• advocate or promote potential proponents or their proposals to other government agencies and market participants</li> </ul>
<ul style="list-style-type: none"> <li>• facilitate contact with other NSW Government agencies and market participants</li> </ul>	
<ul style="list-style-type: none"> <li>• consider and facilitate information and data requests</li> </ul>	

Any additional information made available in response to a request will also be distributed to all persons who have registered an interest in the RFP (via the DFSI tenders website) and posted at <https://tenders.nsw.gov.au/> for access by all interested parties.

If a question is not of a general nature, but relates to proprietary aspects of a proposal, proponents must identify the question(s) as such. If, in the opinion of the state, the question is not proprietary in nature, the relevant proponent will be advised and will have the option to withdraw the question(s). If the proponent continues to request a response, the question(s) and the response may be circulated to all recipients of this RFP.

## 4.10 Ethical conduct

---

A proponent's proposal may not be considered further if a proponent or any of its officers, employees, agents or subcontractors is found to have:

- offered an inducement or reward to any public servant or employee, agent or subcontractor of the NSW Government in connection with this RFP or the submitted proposal
- committed "corrupt conduct" within the meaning of the *Independent Commission Against Corruption Act 1998 (NSW)*
- a record or alleged record of unethical behaviour.

The NSW Government may, but is not required to, invite a relevant proponent to provide written comments within a specified timeframe before the NSW Government excludes the proponent and its proposal on this basis.

Proponents must disclose any conflicts of interests in their proposal.

## 4.11 Probity

---

The NSW Government has engaged a probity adviser for the duration of the evaluation process.

The probity adviser is not a member of the evaluation panel but an independent observer of the evaluation process. The probity adviser will not be involved in the evaluation of any proposals.

Proponents who have any concerns about the conduct or probity of the RFP process should, notwithstanding any other restrictions contained in this document, promptly bring their concerns to the attention of the probity adviser.

The probity advisor's contact details are:

Michael Shatter

RSM Australia

Phone: (03) 9286 8166

Mobile: 0409 808 639

Email: michael.shatter@rsm.com.au



## 4.12 Exchange of information between NSW Government agencies

---

By lodging a proposal, the proponent will authorise the NSW Government to make information available, on request, to any NSW Government agency. This includes information dealing with the proponent's performance on any prior contract that has been awarded. Such information may be used by the recipient NSW Government agency for assessment of the suitability of the proponent for pre-qualification, selective tender lists, expressions of interest or the award of a contract.

The provision of the information by the OSII to any other NSW Government agency is agreed by the proponent to be a communication falling within section 30 of the *Defamation Act 2005 (NSW)*, and the proponent shall have no claim against the OSII and the State of New South Wales in respect of any matter arising out of the provision or receipt of such information, including any claim for loss to the proponent arising out of the communication.

## 4.13 Disclosure information

---

Following the NSW Government's decision, the proponent will be notified in writing of the outcome of their proposal. Details of this proposal and the outcome of the RFP process will be disclosed in accordance with the [Government Information \(Public Access\) Act 2009](#) and the [Premier's Memorandum 2007-01](#) which requires proactive disclosure of information, including information relating to procurement.

## 4.14 Anti-competitive conduct

---

Proponents and their representatives must not engage in any anti-competitive conduct or any other similar conduct with any other person in relation to their participation in the RFP process. Any breaches of these requirements may result in a proponent being removed from the RFP process.

## 4.15 Anti-lobbying, improper interference and solicitation

---

Proponents and their representatives are prohibited from engaging directly or indirectly in lobbying, improper interference or solicitation of the NSW Government, including but not limited to Ministers, and their advisers, Members of Parliament, public servants and department representatives and NSW Government's advisers with respect to any aspect relating to the proposal process or any activities which are likely to give rise to the perception that they have engaged in lobbying, improper interference or solicitation of the government or its advisers. Any breaches of these requirements may result in a proponent being removed from the RFP process.

## **4.16 Discretion of the state (NSW Government)**

---

The state reserves the right at any time and on any grounds to:

- amend the RFP documents
- accept or agree to variations or amendments to a proposal
- re-advertise for new proposals
- terminate at any time further participation in the process by any or all proponents
- amend or terminate the proposal and/or JDP process
- extend the closing date for RFP proposals
- extend the closing date for clarification questions
- require additional information, clarification or further offers from any proponent
- invite one or more proponents for an interview as required
- elect not to select any proponent as preferred proponent
- withdraw the formal RFP process
- take such other action as it considers, in its absolute discretion, appropriate in relation to the RFP process.

The state may, at any time following receipt of proposals, request one or more of the proponents to supply any further information or clarification concerning a proposal which the state considers necessary or desirable.

The state reserves the right to seek clarification, verification and additional information concerning the proposal or the proponent from third parties and the proponent authorises the state to do so.

## **5. Appendices**

- A. Reducing the risk of homelessness
- B. Outcomes rate card

## A. Reducing the risk of homelessness

---

### 1. Introduction

Homelessness has significant and lasting impacts on individuals and families. It is related to poverty and financial stress, poor health, higher rates of mental illness, under and unemployment, as well as more frequent use of health, justice and welfare services (Zaretsky & Flatau 2015).

Homelessness is the culmination of a lack of housing and accumulated experiences of disadvantage. Its causes are complex and involve a number of interacting factors that play out in different ways from individual to individual.

A person's pathway into homelessness is impacted by a number of structural drivers, risk factors, and protective factors:

- **Structural drivers** include housing affordability, labour market forces, reliance on income support, and intergenerational poverty.
- **Risk factors** include unemployment, financial stress, family breakdown, domestic and family violence, trauma, mental health issues, drug or alcohol dependence, and a history of contact with state services.
- **Protective factors** include employment, financial security, involvement in school or community, healthy family relationships, and access to and integration of services. These factors can affect a person's risk of homelessness and their resilience if it occurs.

Homelessness has enormous personal, social and economic costs that affect all communities and impact on many policy and service areas, including housing, justice, health, mental health, education, employment, child protection, domestic and family violence and planning.

#### 1.1. The NSW Homelessness Strategy

The NSW Government's 2018-19 Budget commits more than \$1 billion for homelessness services over the next four years to support new and existing initiatives. This includes \$61 million of new funding over the next four years to implement the NSW Homelessness Strategy.

The NSW Homelessness Strategy was released on 10 June 2018. It sets out the NSW Government's five-year plan for a comprehensive approach to prevent and improve the response to homelessness so that:

- fewer people experience homelessness
- people in NSW find secure places to live
- people are empowered to tackle the issues that put them at risk of homelessness.

More information about the NSW Homelessness Strategy can be found on the Department of [Family and Community Services \(FACS\) website](#).

The strategy will directly support nearly 60,000 people by providing more assertive outreach services for rough sleepers, more support to maintain a tenancy and strengthened risk assessment to address the complex issues behind each person's homelessness. It will help

make the shift from predominantly crisis-driven responses to prevention, in order to address the underlying causes of homelessness. The strategy builds on a range of reforms and programs already underway to help address the structural drivers of homelessness.

There is no one agency in NSW that is responsible for delivering responses to people who are homeless. One of the main themes of the strategy is accountability across government so that all agencies share responsibility for preventing homelessness. Homelessness is a complex issue that requires all levels of government and the community to work together.

Innovative solutions are needed to address homelessness and the NSW Government is collaborating with the private and not for profit sectors and leveraging off their expertise to deliver better solutions. In line with this, \$20 million of the new funding from the strategy has been allocated to deliver a social impact investment(s) in homelessness.

## 1.2. Homelessness is increasing

Absolute growth in homelessness over the last decade has been significant. On Census night in 2016, over 37,000 people were homeless in NSW – over 10,000 people or 37% more than in 2011 (Australian Bureau of Statistics (ABS) 2016). The number of people seeking assistance from specialist homelessness services (SHS) has also continued to increase. Between 2013-14 and 2016-17, the number of people assisted increased by 43%, up to 74,216 (Australian Institute of Health and Welfare (AIHW) 2017a). In addition to those assisted by SHS, almost 25,000 households were provided temporary accommodation in 2016-17 (FACS 2016-17).

To reverse this unsustainable trend, the NSW Government is seeking social impact investment proposals that test innovative prevention and early intervention models to prevent people exiting government services into homelessness. The NSW Government is also interested in building the evidence base of ‘what works’ in prevention and early intervention so that effective interventions can be scaled. For these reasons, there is interest in tackling homelessness through social impact investments. Whilst social impact investment is still a relatively new approach, there are a number of case studies in Australia and internationally that have successfully brought together cross sector collaborations to achieve a positive impact on the outcomes for and the lived experience of some of society’s most disadvantaged citizens (Muir et al 2017).

## 2. What is homelessness?

This RFP adopts the ‘homelessness’ definition used by the Australian Bureau of Statistics (ABS Cat. 2049.0 2016) which defines ‘homelessness’ in the following way:

*“When a person does not have suitable accommodation alternatives they are considered homeless if their current living arrangement:*

- *is in a dwelling that is inadequate*
- *has no tenure, or if their initial tenure is short and not extendable*
- *does not allow them to have control of, and access to space for social relations.”*

The ABS definition has been constructed from a conceptual framework centred on the following elements of “home”:

- adequacy of the dwelling

- security of tenure in the dwelling
- control of and access to space for social relations.

This ABS definition replaces the one developed by Chamberlain and Mackenzie, which was based on three categories of homelessness:

- Primary homelessness – people without conventional accommodation or shelter
- Secondary homelessness – people living in shelters, emergency accommodation, refugees and couch surfing
- Tertiary homelessness – people living in accommodation that falls below minimum community standards.

One of the differences between the Chamberlain and Mackenzie and ABS definitions is that people living in severely overcrowded dwellings are now considered to be homeless. After the ABS revised its definition, the 2001 and 2006 Census results were recalculated to reflect this change.

Even though the ABS has revised its definition, the terms primary, secondary and tertiary homelessness are still sometimes used. Proponents may use these terms in their proposal as long as they also address the features and concepts of the ABS definition.

It should be further noted that for some people, experiencing homelessness is an isolated event and can occur once or for a brief time. While some people experience homelessness only once, others can experience repeated episodes or long term homelessness (Zaretsky & Flatau 2015).

## 2.1 Specialist homelessness services (SHS)

SHS is the NSW Government's primary response to homelessness and supports people who are experiencing, or are at risk of homelessness. In 2016-17, 74,216 people in NSW were supported by SHS (FACS 2017). This is an increase of 6% from 69,715 in 2015-16.

Of these SHS recipients in 2016-17:

- 54% were seeking support because of housing crisis or eviction
- 42% were experiencing financial difficulties
- 40% reported having some type of health condition
- 33% reported having a current mental health issue
- 31% were experiencing housing affordability stress
- 12% reported having drug or alcohol issue
- 4% reported having a disability
- 3% reported they had exited custody
- 3% reported that they had left care (including health, child protection, etc).

Even though the causes of homelessness are diverse and the impacts can be severe, there is considerable evidence that shows that interventions can work and result in a person accessing and maintaining stable accommodation. Evidence shows there are a number of critical points in a person's pathway to experiencing homelessness, and targeting supports at these points will help prevent people from experiencing homelessness.

## 2.2 Exiting services and homelessness

Transition points and significant life events can be periods of instability or uncertainty, exposing people to a range of stressors and challenges that can lead to increased risk of homelessness. For some people, transition points can act as a trigger to de-stabilise their situation. When combined with other risk factors (such as drug or alcohol misuse or mental health issues), some people experiencing a transition or significant life event may not have the resources, supports or skills to manage it effectively. One of the consequences of this can be homelessness (Crane et al 2005).

An example of a transition point is where a person leaves a government service, such as out of home care (OOHC), a mental health unit, or the justice system. The causes of homelessness among this group are complex and can include poor identification of risk factors, poor transition planning, a lack of coordination in responding to unmet support needs, and limited appropriate exit accommodation options. People leaving government services such as OOHC, inpatient mental health units, and the justice system have been shown to be at increased risk of homelessness (ARTD 2017).

The pathways into homelessness from government services can vary. For example:

- a person is discharged from a service and has no arrangements in place for safe and stable accommodation
- a person is discharged from or leaves a service and stays in a series of temporary places (such as a motel or staying with friends/family) but eventually has to leave.

### 2.2.1. Exiting custodial settings

Approximately half of the 15,000 people released from custody each year are released on remand at short notice with limited pre-release assistance, and sometimes without sufficient money, suitable clothes, medication or accommodation (cited in Garvan 2016). Research has identified that upon release many people are worse off than when they were incarcerated, with up to half experiencing at least one episode of homelessness in the first six months after release, and many others being in unstable or unsuitable housing (Baldry et al 2004).

In 2016-17, more than 8,000 people exiting a custodial setting in Australia required SHS support (AIHW 2017b). NSW prison reception data indicates that as many as 60% of people in prison have come from primary or secondary homelessness (Sotiri & Faraguna 2016), and analysis of Bureau of Crime Statistics and Research (BOCSAR) data indicates that in 2015-16 as many as one in 10 young people exiting juvenile justice custody accessed SHS (BOCSAR 2017).

### 2.2.2. Exiting health settings

In Australia, almost 7,000 people leaving health or social care arrangements in 2015-16 required SHS support. Of these, almost 30% were classified as homeless, with the majority (almost 60%) living in short term emergency accommodation (AIHW 2016).

### 2.2.3. Young people

Young people leaving OOHC are disproportionately at risk of homelessness, with 22% using SHS in the same financial year as they exit. Aboriginal OOHC leavers are 43% more likely to

access SHS than non-Aboriginal OOHC leavers. 24% of people who left OOHC and have involvement with the criminal justice system require SHS in the first two years after exiting custody (Taylor Fry 2017).

### 3. Potential cohort

The NSW Government is interested in social impact investment proposals that target people who are exiting government services and who are at risk of or are experiencing homelessness.

For the purpose of this RFP, 'government services' is broadly defined and proponents are encouraged to narrow their focus on specific sub cohorts that have distinct and/or different service needs. For example, the most frequent types of services that refer people to SHS include:

- Mental health facilities
- Drug and alcohol facilities
- Hospitals
- Correctional facilities (both adult and juvenile)
- Child protection, which includes OOHC.

#### 3.1 Cohort profile

In 2016-17, 74,216 people sought assistance from SHS (FACS 2017). Of these people, 5,191 or 7% were referred by a government service such as health (drug and alcohol, mental health and hospital), child protection (which includes OOHC), and corrections (adult and juvenile).

Tables 1 to 4 below show the characteristics of this population for the financial year 2016-17. Please note that the data presented may be understating the actual number of people who are at risk of or experiencing homelessness as a result of leaving a government service. This is because some people may choose not to record information about their previous accommodation or because they have lived in multiple locations since leaving a government service and have recorded their last address.

The data highlights the complexity of the needs and the diversity of this population (age, gender and employment status). This diversity means that proponents should carefully consider how they intend to meet the needs and life stages of their selected cohort and achieve the intended outcomes.

Table 1: Referral Source by government service at SHS presentation in 2016 -17 (FACS 2017)

Formal source of referral	Females	Males	Total
Hospital	562	389	<b>951</b>
Mental health service	768	591	<b>1,359</b>
Drug/alcohol service	244	306	<b>550</b>
Child protection agency	872	481	<b>1,353</b>
Youth/juvenile justice correctional centre	128	265	<b>393</b>
Adult correctional facility	202	383	<b>585</b>
<b>Total</b>	<b>2,776</b>	<b>2,415</b>	<b>5,191</b>



Table 1 shows that health facilities (hospital, mental health and drug/alcohol services) are the most frequent source of referral for people presenting at SHS (55% or 2,860). For these referral sources except drug/alcohol services and correctional facilities, more women than men were referred.

Table 2: Number of Aboriginal and non-Aboriginal at SHS presentation by referral source in 2016 -17 (FACS 2017)

Formal source of referral	Aboriginal	Not Aboriginal	Not stated
Hospital	229	687	35
Mental health service	211	1,096	52
Drug/alcohol service	152	389	8
Child protection agency	377	921	56
Youth/juvenile justice correctional centre	133	235	25
Adult correctional facility	192	385	8
<b>Total</b>	<b>1,294</b>	<b>3,713</b>	<b>184</b>

According to the 2016 Census, Aboriginal people represented 2.9% of the NSW population. However, they represent 28% of all SHS clients, and 25% of clients referred to SHS from government services (ABS Cat. 2075.0 2016).

Table 3: Employment status at SHS presentation in 2016 -17 (FACS 2017)

Not applicable	Employed full time	Employed part time	Employed don t know	Unemployed	Not in labour force	Don t know
<b>1,093</b>	<b>71</b>	<b>204</b>	<b>15</b>	<b>2,176</b>	<b>1,436</b>	<b>197</b>

Table 3 shows that the employment status for these SHS clients upon referral, with 2,176 (42%) unemployed and 1,436 (28%) not in the workforce.

Table 4: Family type at SHS presentation in 2016 -17 (FACS 2017)

Alone	Couple with child(ren)	Single person with child(ren)	Couple without child(ren)	Other family group	Other group
<b>3,896</b>	<b>246</b>	<b>911</b>	<b>62</b>	<b>52</b>	<b>23</b>

75% of this population presented to a SHS alone. Presenting alone does not necessarily mean that the person is single or living alone but may have implications for the type of housing and support they require.

#### 4. Intended outcomes

The primary goal is to reduce the risk and incidence of homelessness among those who are leaving government services. As the causes of homelessness for this group are complex and multifaceted, the NSW Government seeks to achieve the following outcomes for these individuals through the social impact investment:

- safe, stable long-term housing
- improved engagement with education and employment
- reduced interactions with the justice system
- better health outcomes

- improved personal, social and economic wellbeing and independence
- better connection to supports and community.

The NSW Government recognises that not all of these outcomes can be achieved immediately, or for all groups, and some may take longer to achieve than others. For this reason, the NSW Government draws a distinction between the outcomes sought and the outcomes payments used to facilitate the risk return profile associated with social impact investments. Refer to 'Appendix B – Outcomes Rate Card' for guidance on the proposed payment metrics under the Homelessness Social Impact Investment Rate Card. In addition to the payment metrics, all social impact investments will include an evaluation component. The evaluation will seek to validate the efficacy of the proposed program, including capturing and measuring the process undergone in achieving the above intended outcomes.

## 5. Principles for effective interventions

The evidence shows that an effective response to support people to move out of homelessness includes access to affordable housing and flexible, needs-based support. People's differing circumstances and needs – from young people at risk of homelessness to people experiencing chronic homelessness or leaving domestic and family violence – influence the range of supports and housing options needed in the service system.

### 5.1 Guiding program and design principles

It is expected that the program or intervention proposed under the social impact investment proposal will incorporate the principles described in Table 7. These principles are applicable to all target groups and are intended to guide the design and implementation of the programs. These principles underpin much of the current work in NSW in the homelessness, social housing, and other sectors such as disability. Some describe models to address homelessness (e.g. Housing First). Others refer to practice principles that guide the way in which a service or support is provided (e.g. trauma informed, and harm minimisation).

Table 7: Guiding principles to be applied to the design and implementation of the programs

Principle	Explanation
<b>Housing First</b>	<ul style="list-style-type: none"> <li>• The provision of housing with persistent and reliable supports.</li> <li>• Supports can include a range of initiatives including physical and mental health services, social and educational activities.</li> <li>• Under Housing First, housing is not conditional on a readiness condition (e.g. sobriety or use of a health treatment).</li> <li>• The purpose of providing support is to try and minimise the impact of the factors that can put tenancies at risk and lead to cyclical or chronic homelessness. This is because people who have experienced homelessness can continue to experience a range of health, social and economic problems which can threaten their housing stability.</li> </ul>
<b>Harm Minimisation</b>	<ul style="list-style-type: none"> <li>• Harm minimisation strategies aim to reduce the anticipated or actual harm experienced by an individual as the result of their behaviour.</li> </ul>

Principle	Explanation
	<ul style="list-style-type: none"> <li>• In the area of drug and alcohol use as an example, such strategies could include:               <ul style="list-style-type: none"> <li>○ <i>Drug</i>: modification or substitution of volatile or illegal substances to reduce harms.</li> <li>○ <i>Individual</i>: encouraging persons using volatile substances to practise harm reduction strategies to minimise the associated risk of harms.</li> <li>○ <i>Environment</i>: reducing the risks associated with the environment in which volatile substances are used.</li> </ul> </li> </ul>
<b>Recovery oriented approach to service delivery</b>	<ul style="list-style-type: none"> <li>• The recovery oriented approach is based on the provision of ongoing support for as long as a consumer needs it. This may mean ongoing and indefinite support services for some people, whereas for other people this may mean short to medium term support.</li> <li>• The concept of recovery does not refer to a cure, but to ‘... a deeply personal, unique process of changing one’s attitudes, values, feelings, goals, skills, and/or roles. It is a way of living a satisfying, hopeful, and contributing life even with limitations caused by illness’ (cited in Bruce et al 2012).</li> <li>• In line with the National Mental Health Care Strategy for recovery oriented mental health care services, proponents should take a hope inspiring, recovery oriented approach to service delivery. This entails the individual being part of a service support team to address their expressed mental health concerns (Ibid).</li> <li>• Recovery must be viewed in the wider context of an individual’s life as a whole and not just their mental health symptoms.</li> </ul>
<b>Continuity of Care</b>	<ul style="list-style-type: none"> <li>• The intervention should recognise the importance of continuity of care as a factor in creating trusting, respectful and positive relationships.</li> <li>• It can include facilitating timely access to services, including accompaniment to appointments or reducing barriers to service access.</li> </ul>
<b>Intensive Support</b>	<ul style="list-style-type: none"> <li>• Intensive wrap around support may be appropriate for particular complex need cohorts to help them connect to community, build their skills for independent living, access the support services they need, and establish routines and relationships that support them to maintain their housing status.</li> <li>• Wraparound support should be strengths based and person centred, and include connection to mainstream services such as health and mental health services.</li> <li>• In applying the Housing First principles, service delivery should be individualised and person driven, rather than a rigid programmatic response.</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• The intervention should have a strong focus on social and community integration.</li> </ul>

Principle	Explanation
<b>Culture</b>	<ul style="list-style-type: none"> <li>• Service delivery should be culturally appropriate.</li> <li>• Cultural needs should be considered as part of overall case management approach and service design and delivery.</li> </ul>
<b>Assertive outreach</b>	<ul style="list-style-type: none"> <li>• Assertive outreach is a model based on direct engagement with people who experience homelessness in the locations they frequent. It is a deliberate and strategic attempt to end a person's homelessness.</li> <li>• Assertive outreach is based on a multi-disciplinary approach that gives people access to health and other services as well as permanent and stable housing. This is backed up with support over an extended timeframe to sustain tenancies and avoid a return to homelessness (Phillips &amp; Parsell 2012).</li> <li>• Assertive outreach and access to quality health care plays an important role in engaging with people who are sleeping rough, and can be a catalyst to assist them connect with services and provide a pathway out of homelessness (Phillips. and Parsell 2013).</li> </ul>
<b>Informed Choice</b>	<ul style="list-style-type: none"> <li>• Commitment to individual choice and self-determination, wherever possible is important. Operations will be participatory and inclusive.</li> </ul>
<b>Stabilisation and Sustainability</b>	<ul style="list-style-type: none"> <li>• Service delivery should have a focus on stabilisation and sustainable outcomes. This can include developing a long-term housing and wellbeing plan.</li> </ul>
<b>Trauma informed</b>	<ul style="list-style-type: none"> <li>• This provides a framework for service delivery that is based on knowledge and understanding of how trauma affects people's lives, their service needs and service usage. This is because trauma has been found to be a precursor to becoming homeless, and being homeless has also been found to be a risk factor for trauma exposure.</li> <li>• It incorporates an appreciation of the high prevalence of traumatic experiences for people who experience homelessness and for those who receive homelessness and mental health services.</li> <li>• It is based on understanding the particular vulnerabilities and/or triggers that trauma survivors experience, so that services and programs can be more supportive, effective and avoid re-traumatisation.</li> </ul>
<b>Person centred</b>	<ul style="list-style-type: none"> <li>• Placing the person at the centre of service design and delivery to provide a high standard of customer service and the achievement of the best outcomes for each person as an individual.</li> <li>• Person centred approaches are designed around the person rather than a rigid programmatic response. The service response is based around the individual's needs, their experiences and their choices.</li> </ul>
<b>Strengths Based Practice</b>	<ul style="list-style-type: none"> <li>• Strengths based approaches build on people's capacity to address risk factors whilst enhancing their resilience.</li> </ul>

---

Principle	Explanation
	<ul style="list-style-type: none"><li data-bbox="592 255 1377 376">• It involves recognising, fostering and building on a person's skills, capacities and competencies. This approach recognises that each person already has skills and expertise in relation to their lives, and their families.</li><li data-bbox="592 398 1350 456">• The approach aims to enhance motivation, participation and realisation of identified goals and positive outcomes.</li></ul>
<b>Evidence Based Practice</b>	<ul style="list-style-type: none"><li data-bbox="592 501 1377 568">• It is expected that the proponents will develop their application and program based on available evidence and best practice.</li></ul>

---

## 6. Avoiding duplication with other programs and initiatives

Social impact investments seek to test and support additional services and address gaps in the service system. Therefore, it is important for any proposed program or intervention to complement and link with, rather than duplicate existing programs and services.

Table 8 outlines a range of the existing homelessness related initiatives. Proponents are encouraged to consider how their intervention could address an unmet demand or service gap, including ways to strengthen linkages with mainstream services, or develop new pathways. The table below is not exhaustive and the responsibility for understanding the relevant service system rests with the proponent.

Table 8: Summary of existing homelessness-related initiatives

Initiative	Service description	Target cohort	Providers, locations and further information
Specialist Homelessness Services (SHS)	<p>SHS is funded by FACS and delivered by non-government organisations across NSW. SHS forms a vital part of the service system supporting people who are homeless or at risk of homelessness.</p> <p>They are funded to deliver four core service streams:</p> <ul style="list-style-type: none"> <li>• Early intervention and prevention</li> <li>• Crisis and transitional accommodation</li> <li>• Rapid rehousing (to long-term stable outcomes)</li> <li>• Support for complex needs.</li> </ul> <p>SHS work in partnership with housing and other service providers, such as those delivering drug and alcohol, domestic violence and mental health programs. These collaborations between services support people who are at risk of becoming homeless to stay housed, and those already homeless to find and keep a home.</p>	<p>The SHS system supports all client groups who are homeless or at risk of homelessness.</p> <p>This includes but is not limited to women experiencing domestic and family violence, people sleeping rough, young people leaving care, people with mental health issues, and people living in unsafe conditions.</p>	<p>Please refer to:  <a href="https://www.facs.nsw.gov.au/housing/help/ways/services">https://www.facs.nsw.gov.au/housing/help/ways/services</a></p>

Initiative	Service description	Target cohort	Providers, locations and further information
Link2home Homelessness Information Line	<p>This is a statewide telephone service which provides information, assessments and referrals to SHS, temporary accommodation and other appropriate services for people who are experiencing homelessness or at risk of homelessness.</p> <p>Link2home also provides information about homelessness services across NSW for SHS providers and homelessness advocates acting on behalf of clients.</p>	People who are experiencing homelessness or who are at risk of homelessness.	Please refer to: <a href="https://www.facs.nsw.gov.au/view-contact?contact=1838208">https://www.facs.nsw.gov.au/view-contact?contact=1838208</a>
Rent Choice	<p>Rent Choice is a time limited private rental subsidy for up to three years and facilitates access to support services, including training and employment to build capacity for independent living.</p> <p>Rent Choice products include: Rent Choice Start Safely, Rent Choice Youth and Rent Choice Veterans.</p>	People in low to moderate income households.	Please refer to: <a href="https://www.facs.nsw.gov.au/housing/policies/rent-choice-policy">https://www.facs.nsw.gov.au/housing/policies/rent-choice-policy</a>

Initiative	Service description	Target cohort	Providers, locations and further information
Staying Home Leaving Violence	Staying Home Leaving Violence is a free program that supports people experiencing domestic violence to stay safely in their own home, by working with police to remove the perpetrator from the home.	<p>Women separated from a violent partner but who continue to experience abuse from their ex-partner are a priority for the program.</p> <p>Priority is also given to women who have experienced domestic and family violence before and are:</p> <ul style="list-style-type: none"> <li>• from an Aboriginal and Torres Strait Islander background</li> <li>• affected by socio-economic disadvantage</li> <li>• from culturally and linguistically (language) diverse backgrounds</li> <li>• affected by social exclusion</li> <li>• who have a disability</li> <li>• who are caring for a child with a disability</li> <li>• aged 16 to 18 years – these young people will be referred to a service that can help them.</li> </ul>	<p>Staying Home Leaving Violence is available in 27 locations across NSW</p> <p>For further information, please refer to: <a href="https://www.facs.nsw.gov.au/domestic-violence/services-and-support/programs/staying-home-leaving-violence?SQ_VARIATION_568329=0">https://www.facs.nsw.gov.au/domestic-violence/services-and-support/programs/staying-home-leaving-violence?SQ_VARIATION_568329=0</a></p>



Initiative	Service description	Target cohort	Providers, locations and further information
Homeless Youth Assistance Program (HYAP)	HYAP services provide integrated support and accommodation with the aim of re-unifying children and young people with their families and broader support networks, where appropriate, or enabling them to transition to appropriate longer-term supported accommodation.	Unaccompanied children and young people aged 12 to 15 years who are homeless or at risk of homelessness.	19 service packages have been established across NSW.  For further information, please refer to: <a href="https://www.facs.nsw.gov.au/providers/funded/programs/homelessness/specialist-services/our-programs">https://www.facs.nsw.gov.au/providers/funded/programs/homelessness/specialist-services/our-programs</a>
Private rental subsidy	<p>The private rental subsidy aims to help clients with a disability or clients at risk in their current situation, to find affordable accommodation in the private market while waiting for a suitable social housing property to become available.</p> <p>The subsidy is intended only as short to medium term assistance. The Subsidy provides eligible clients with medium-term accommodation until an offer of social housing can be made. The subsidy assists people to access affordable accommodation in the private rental market.</p>	<p>Application is through a social housing provider and eligibility criteria applies such as:</p> <ul style="list-style-type: none"> <li>meeting social housing eligibility criteria</li> <li>being approved for priority status on the NSW Housing Register</li> <li>having a disability/being at risk in current accommodation.</li> </ul>	<p>Please refer to: <a href="https://www.facs.nsw.gov.au/housing/policies/private-rental-assistance-policy">https://www.facs.nsw.gov.au/housing/policies/private-rental-assistance-policy</a></p>

Initiative	Service description	Target cohort	Providers, locations and further information
<p>Housing and Accommodation Support Initiative (HASI)</p>	<p>HASI is a joint program provided by NSW Health, Housing NSW and various non-government organisations (NGOs).</p> <p>It is designed to support people with mental illness to participate in the community, improve their quality of life, maintain successful tenancies and assist people in their recovery from mental illness. Support includes:</p> <ul style="list-style-type: none"> <li>• accommodation support and rehabilitation associated with disability (delivered by NGOs and funded by NSW Health)</li> <li>• clinical care and rehabilitation (delivered by specialist mental health services)</li> <li>• long-term, secure and affordable housing and property and tenancy management services (delivered by social housing providers).</li> </ul>	<p>Adults living in social and private housing over 16 years of age with a mental health diagnosis.</p>	<p>Please refer to:  <a href="http://www.health.nsw.gov.au/mentalhealth/Pages/program-info-mh.aspx">http://www.health.nsw.gov.au/mentalhealth/Pages/program-info-mh.aspx</a></p>
<p>Community Living Supports (CLS)</p>	<p>CLS focuses on people living in social housing who may not be accessing the supports they need.</p>	<p>People who have a diagnosis of severe mental illness (such as schizophrenia, bipolar disorder or schizo-affective disorder) and high and complex needs due to functional impairment caused by their illness.</p>	<p>Please refer to:  <a href="http://www.health.nsw.gov.au/mentalhealth/reform/Factsheets/mh-community-supports.pdf">http://www.health.nsw.gov.au/mentalhealth/reform/Factsheets/mh-community-supports.pdf</a></p>

Initiative	Service description	Target cohort	Providers, locations and further information
Premier's Youth Initiative (PYI)	<p>PYI is working to increase the proportion of young people who successfully move from SHS to long-term accommodation to more than 34% by 2019.</p> <p>Targeted responses (such as through the Youth Foyer and universal risk screening with supports) will improve support mechanisms on the housing continuum for young people currently experiencing homelessness.</p>	Vulnerable young people leaving out-of-home care	<p>Please refer to:  <a href="https://www.nsw.gov.au/improving-nsw/premiers-priorities/reducing-youth-homelessness/">https://www.nsw.gov.au/improving-nsw/premiers-priorities/reducing-youth-homelessness/</a></p>
Transitional Supported Accommodation	Provides up to 12 weeks supported accommodation, as well as support following exit from correctional services. All referrals to the service providers come from the relevant local Community Corrections office.	Higher risk offenders under the supervision of Community Corrections.	<ul style="list-style-type: none"> <li>• Glebe House, Glebe</li> <li>• Guthrie House, Enmore</li> <li>• Rainbow Lodge, Glebe</li> <li>• Adele House, Coffs Harbour</li> <li>• Namatjira Haven, Alstonville</li> <li>• Freedom House, Newcastle</li> <li>• Freedom House, Wyong</li> </ul>

Initiative	Service description	Target cohort	Providers, locations and further information
Initial Transitional Support (ITS)	<p>ITS is linked to the relevant Community Corrections locations and provides up to 12 weeks support for higher risk offenders under the supervision of Community Corrections. The support period can be extended if considered necessary.</p> <p>Service providers work in collaboration with Community Corrections with the support directly linked to the offender's case plan to reduce the risk of reoffending.</p> <p>Support services may include assisting offenders' with accommodation needs, access to services (such as mental health and alcohol and other drug services), engaging in social activities in the community, employment or education referrals.</p>	Higher risk offenders under the supervision of Community Corrections.	<ul style="list-style-type: none"> <li>• arbias/Australian Community Support Organisation (ASCO): Bathurst, Campbelltown, Dubbo, Gosford, Goulburn, Grafton, Kempsey, Lake Macquarie, Leichhardt, Lismore, Mt Druitt, Nowra, Parramatta, Taree, Wagga Wagga, Wollongong and Wyong</li> <li>• Centacare South West: Albury, Griffith</li> <li>• Housing Plus: Broken Hill, Maitland, Moree, Muswellbrook, Orange</li> <li>• Salvation Army: Newcastle and Tamworth</li> </ul>
Extended Reintegration Service	<p>The service provides housing and support services to offenders with significant complex needs, including mental health, alcohol/other drug issues and/or cognitive impairment or borderline intellectual disability. All clients must also be homeless or at risk of homelessness.</p> <p>Corrective Services, Health, FACS and the provider work in partnership to provide 12 months support, which includes up to three months pre-release engagement.</p>	Higher risk offenders under the supervision of Community Corrections with significant complex needs.	<ul style="list-style-type: none"> <li>• Community Restorative Centre (CRC): Liverpool, Bankstown, Fairfield</li> </ul>

Initiative	Service description	Target cohort	Providers, locations and further information
Coexisting Disorders Coordinators Project	The Coexisting Disorders Project is an initiative of the NSW Drug Summit. The project aims to improve interagency case management by improving the links between Community Corrections, Mental Health Services, Alcohol and Drug (AOD) Services, FACS Housing, the National Disability Insurance Agency (NDIA), Disability Service Providers and other NGOs within regions of NSW.	Medium to high-risk offenders under the supervision of Community Corrections who have been identified as having an alcohol and other drug problem as well as a mental illness or intellectual disability.	<ul style="list-style-type: none"> <li>• Bathurst</li> <li>• Gosford</li> <li>• Newcastle</li> <li>• Nowra</li> <li>• Sydney City</li> </ul>

## 7. References

ARTD Consultants (2017) *Reducing exits into homelessness from government services*, NSW Government Workshop - 20 July 2017.

Australian Bureau of Statistics (2016) *Census of Population and Housing: Estimating homelessness*, Data Cube 2 State and territory of usual residence, All persons  
<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/2049.02016?OpenDocument>

Australian Bureau of Statistics Catalogue 2049.0 (2016) - *Census of Population and Housing: Estimating homelessness*, 2016 APPENDIX 1: DEFINITION OF HOMELESSNESS  
<http://www.abs.gov.au/Ausstats/abs@.nsf/Latestproducts/2049.0Appendix12016?opendocument&abname=Notes&prodno=2049.0&issue=2016&num=&view>

Australian Bureau of Statistics Catalogue 2075.0 (2016) - *Census of Population and Housing - Counts of Aboriginal and Torres Strait Islander Australians*, 2016  
<http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/2075.0Main%20Features52016?opendocument&tabname=Summary&prodno=2075.0&issue=2016&num=&view=>

Australian Institute of Health and Welfare (2016) *Specialist Homelessness Services 2015-16: Clients leaving care*, <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services/contents/client-groups-of-interest/clients-leaving-care>

Australian Institute of Health and Welfare, Specialist Homelessness Services data collections 2016/17 (2017a), NSW, <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-2016-17/data>

Australian Institute of Health and Welfare (2017b), Specialist Homelessness Services Annual Report 2016–17 Australian Institute of Health and Welfare (2017), Specialist Homelessness Services Annual Report 2016–17 <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-2016-17/contents/client-groups-of-interest/clients-exiting-custodial-arrangements>

Baldry, E., McDonnell, D., Maplestone, P. and Peeters, M. (2004) *The role of housing in preventing re-offending*, AHURI Research and Policy Bulletin No. 36, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/research-and-policy-bulletins/36> .

Bruce, J., McDermott, S., Ramia, I., Bullen, J. and Fisher, K.R. (2012), *Evaluation of the Housing and Accommodation Support Initiative (HASI) Final Report*, for NSW Health and Housing NSW,

---

Social Policy Research Centre Report, Sydney page 29.

Crane M., Byrne K., Fu R., Lipmann B., Mirabelli F., Rota-Bartelink A., Ryan M., Shea R., Watt H., and Warnes AM (2005).; *The Causes of Homelessness in Later Life: Findings From a 3-Nation Study*, The Journals of Gerontology: Series B, Volume 60, Issue 3, 1 May 2005, Pages S152–S159,

FACS (2017) Analysis of Australian Institute of Health and Welfare (AIHW), Specialist Homelessness Services (SHS) client Confidentialised Unit Record File (CURF), NSW, 2016-17

Foyer Foundation (2017) <http://foyer.org.au/foyers-in-australia>

Muir, K. Moran, M., Michaux, F., Findlay, S., Meltzer, A., Mason, C., Ramia, I. and Heaney, R. (2017). *The opportunities, risks and possibilities of social impact investment for housing and homelessness*, AHURI Final Report 288, Australian Housing and Urban Research Institute Limited, Melbourne, <<http://www.ahuri.edu.au/research/final-reports/288>, doi: 10.18408/ahuri-7110101.>

NSW Bureau of Crime Statistics and Research (2017) NSW Custody Statistics Quarterly Update June 2017, <[http://](http://www.bocsar.nsw.gov.au/Pages/bocsar_custody_stats/bocsar_custody_stats.aspx)

[www.bocsar.nsw.gov.au/Pages/bocsar\\_custody\\_stats/bocsar\\_custody\\_stats.aspx](http://www.bocsar.nsw.gov.au/Pages/bocsar_custody_stats/bocsar_custody_stats.aspx)>

NSW Family and Community Services 2016-17 Annual Report,

<[https://www.facs.nsw.gov.au/\\_data/assets/pdf\\_file/0008/535256/FACS-Annual-Report-Volume-1-Performance-and-activities-report.pdf](https://www.facs.nsw.gov.au/_data/assets/pdf_file/0008/535256/FACS-Annual-Report-Volume-1-Performance-and-activities-report.pdf)>

Phillips R. and Parsell C. (2012) *The role of assertive outreach in ending 'rough sleeping'*, AHURI Final Report No.179. Melbourne: Australian Housing and Urban Research Institute.

Phillips, R. and Parsell, C. (2013) *What role does assertive outreach play in ending homelessness for people who are sleeping rough?*, AHURI Research and Policy Bulletin No. 161, Australian Housing and Urban Research Institute <https://www.ahuri.edu.au/research/research-and-policy-bulletins/161>

Sally Garvan Consulting (2016) *People Leaving Custody*. Final report for NSW Department of Family & Community Services.

Sotiri, M., and Faraguna, A., (2016) *Shown the exit: A snapshot of the issues facing people leaving custody in New South Wales* (NSW) in 2016, Parity Vol. 29 Issue 10.

Taylor Fry Report for FACS (2017) *Homelessness Pathways using Out of Home Care data*.

Zaretsky, K. and Flatau, P., (2015) *The cost effectiveness of Australian tenancy support programs for formerly homeless people*, AHURI Final Report No.252. Melbourne: Australian Housing and Urban Research Institute Limited, <<https://www.ahuri.edu.au/research/final-reports/252>>

## B. Outcomes Rate Card

### 1. Introduction

An outcomes rate card is a list of outcomes that government seeks to achieve and the price that government is willing to pay for each outcome. It is a tool that has been used by governments overseas to develop multiple, outcomes-focused projects in order to make the procurement process more streamlined. For example, the first rate card approach was developed by the UK Department of Work and Pensions in 2011 which stimulated 10 social impact bonds (SIBs) in 12 months. This approach has since been used to procure the majority of SIBs in the UK and has also been adopted in the US.

The NSW Government is piloting a rate card approach as part of this Request For Proposals (RFP). This responds to consistent market feedback on the need to streamline the transaction process, provide more data upfront, and reduce the complexity of measurement frameworks.

### 2. Homelessness Social Impact Investment Rate Card

Proponents should note that the rates are a guide only, and are estimates particular to the specified cohort types. They are designed to inform proponents' financial modelling, provide clarity around outcome metrics and provide a price signal. The rates are estimates based on currently available information. Further information may be available at the time of a Joint Development Phase (JDP) at which point, rates and metrics will be negotiated based on specific cohort analysis.

Further, the rates below are not indicative of prices to be paid in future outcomes based commissioning in Specialist Homelessness Services (SHS). Similarly, the non-housing outcomes (e.g. Justice outcomes) are also not indicative of prices that may be paid if a Justice specific program was being commissioned.

Table 1: Homelessness Social Impact Investment Rate Card

Policy area	Metric	Cohort exiting custodial setting	Cohort exiting other government services
Housing	3 months sustained accommodation	6,500	4,000
	12 months sustained accommodation	10,000	6,000
	3 months sustained independent housing	16,000	11,000
	12 months sustained independent housing	16,500	12,000
Education / Employment	Training completion	3,500	2,500
	Engagement in structured activities	2,000	1,500
	3 months of sustained employment	4,500	3,500
	6 months of sustained employment	5,500	4,000
	12 months of sustained employment	6,500	4,500
Justice	Not re-incarcerated 12 months after release	9,000	2,000
<b>Maximum rate per client</b>		<b>\$80,000</b>	<b>\$51,000</b>



Please note: The rates need to be considered in light of the following factors:

- Likelihood of achieving outcome: a payment is made for each successful, verified outcome.
- Eligibility for outcomes: some metrics may only be applicable in certain situations. For example, justice-related metrics would only be payable for clients with prior interaction with the prison system.

Therefore, the average outcome payment per client may be materially lower than the maximum rate per client.

### **Rate card data and analysis**

A combination of NSW Government administrative data and external research sources were used to develop the Homelessness Social Impact Investment Rate Card ('Rate Card'). The NSW Government looked at the following data to develop the estimates:

- Demographic characteristics and size of priority cohorts for people exiting government services and who are at risk of, or are experiencing homelessness
- Historical estimated proportion of these cohorts with negative outcomes (e.g. lack of stable housing, employment and incarceration)
- Historical estimated service usage of these cohorts (e.g. Specialist Homelessness Services support, public housing tenure)
- Estimated current costs of addressing the issue by the NSW Government
- Expected program engagement / participation rate
- Expected intervention group success rate
- Estimated social and economic benefits accruing beyond the NSW Government (noting benefits to individuals, communities and Commonwealth Government are not included towards the calculation of rates).

These analyses form the basis of the rates, which have been derived to help deliver:

- Economic feasibility for Government – where prices reflect a portion of cost savings and avoidable costs for the NSW Government; and
- Commercial viability for providers – where prices would enable a marketable return on investment.

As such, the rates derived are not equivalent to cost savings to NSW Government but are informed by them.

### **Market consultation**

In June 2018, a draft Homelessness Social Impact Investment Rate Card was released for consultation. Feedback from the market was sought for the draft metrics and rates during two market briefing sessions and through a market survey. OSII is grateful to all attendees and survey respondents for their valuable feedback. OSII notes that feedback received was varied, and in several instances contradictory. All feedback has been carefully considered and incorporated to the final Rate Card, where appropriate and feasible.

## Mitigating risks

A number of risks were identified in considering the adoption of a rate card approach. On balance, OSII considers that piloting a rate card approach is warranted in response to market feedback and in light of the experience of other jurisdictions, particularly the UK. A number of key risks and mitigating factors are outlined below.

### Cherry picking

Proponents will need to demonstrate how they will address the risk of cherry picking.

Mitigating factors could include:

- Clear cohort eligibility and referral routes: proponents should clearly define eligibility criteria and outline how they would ensure participants meet the cohort characteristics. It is expected these processes will be embedded into the outcomes verification process, and subject to contractual review.
- Controls on cohort size: consideration could be given to placing a cap on the proposed cohort size in proposals to mitigate the risk of providers registering lots of people until they find “easy wins”. Similarly, a floor on cohort size can be applied to mitigate the risk that providers work with only a selected few.

### Counterfactual design

Historical baseline data has been used to underpin the Rate Card. OSII acknowledges this presents a lower degree of measurement rigour than a randomised or matched control trial, however, presents a simpler approach to outcomes measurement. The risk of using a historical baseline is that it may become less suitable over time, for example, due to broader economic or policy changes. To mitigate this risk, a number of mitigating factors will be explored in the JDP, such as inclusion of review clauses in any resultant contracts to trigger a review of the rates in certain situations.

Further, use of a rate card does not preclude the use of a comparison group in any final evaluation (though not part of the payment mechanism). Such a final evaluation could be used to verify the effectiveness of the intervention as well as the efficacy of the rate card as a simplifying payment method.

### Paying for deadweight

Outcome payments are made on the basis of every individual that achieves the relevant outcome. As such, the NSW Government risks paying for outcomes that would have occurred anyway ('deadweight'). To mitigate this risk, a number of factors will be further developed in the JDP, including:

- proponents are encouraged to tightly define their proposed cohort and to focus on individuals with limited chance of achieving the desired outcome in the absence of intervention
- the degree of advance payment. Historically, NSW Government has paid a degree of outcomes payments in advance, which represents lower risk transfer to proponents. It may be that a lower degree of advance payment will be required using a rate card.
- refining the shape of the payment profile to reduce the risk of paying for deadweight, and incentivise over-performance.

### 3. Payment metrics

#### 3.1 Achievement of stable housing

A key goal of the RFP is to support people who are at risk of, or experiencing homelessness to achieve safe and stable housing. Because a person's pathway to stable housing can be different from person to person, various accommodation options need to be taken into account. For this reason, 'stable housing' includes two components for this RFP:

1. **Sustained accommodation** which includes:
  - a. Sustained tenancy under social housing (including public, community and Aboriginal housing) or private leases through the assistance of FACS' Private Rental Subsidy, where there are no tenancy breaches, property damage, antisocial behaviour, and rent arrears of no more than 2 weeks at any one time.
  - b. Sustained living arrangements with relatives/kin, where the person has been able to live safely and appropriately with kin (i.e. both the person and kin are satisfied that the arrangement is working well).
2. **Independent housing** where the client has either exited social housing and /or does not require the assistance of the Private Rental Subsidy to secure the dwelling. A client receiving the following support services remains eligible for the independent housing metrics:
  - a. Tenancies under affordable housing
  - b. Support received from the following one-off FACS private rental products.

<b>Rentstart</b>	<p>Provides financial assistance for clients to set up or maintain tenancies in the private market.</p> <p>The following products are available under Rentstart:</p> <ul style="list-style-type: none"> <li>• <b>RentStart Bond Loan</b> – this is an interest-free loan to help clients start a private rental tenancy</li> <li>• <b>Advance Rent</b> – this provides extra financial support for clients in crisis to establish a private rental tenancy</li> <li>• <b>Rentstart Move</b> – this provides help for tenants who need to move if they become ineligible for public housing</li> <li>• <b>Tenancy Assistance</b> – this is short-term financial support for clients in rental arrears facing eviction</li> <li>• <b>Temporary Accommodation</b> – this is short-term support for clients facing homelessness.</li> </ul>
------------------	---

<b>Tenancy Guarantee</b>	<p>Up to \$1,500 (including GST) to encourage private sector landlords and agents to rent properties to people who are having difficulty entering the private rental market even though they have the income and skills to sustain a successful tenancy.</p>
--------------------------	--

<b>Statement of Satisfactory Tenancy</b>	For current or former public housing tenants to help them get private rental accommodation when they are leaving, or have left, public housing. This indicates where a tenant has sustained a satisfactory tenancy with FACS in relation to the payment of rent and other charges, the care of their property and other tenancy aspects.
<b>Private Rental Brokerage Service</b>	For people with complex needs and support arrangements in place a Private Rental Brokerage Service to help them find and sustain accommodation in the private rental market. People who have a physical or mental illness, drug or alcohol problems, a physical or intellectual disability or other complex needs may be eligible for this service.
<b>Tenancy Facilitation</b>	To help people understand renting in the private market, from searching for properties, making applications and dealing with landlords and real estate agents to paying a deposit. The product also provides information on commencing a tenancy and moving into the property, from paying a bond to dealing with landlords and connecting utilities.

Please note: Clients receiving support from the following private rental products will be ineligible for the independent housing metrics due to the ongoing nature of the support (i.e. they are generally rent subsidies for up to 3 years):

- Rent Choice Start Safely – for people leaving domestic family violence
- Rent Choice Youth – for young people aged 18-24
- Rent Choice Transition – for people exiting social housing
- Rent Choice Veterans – for veterans.

Across the two 'stable housing' components, it is important to note that accommodation provided through SHS, Temporary Accommodation, temporary shelter or refuges are excluded for the purpose of achieving the stable housing outcome. While they are acknowledged to be appropriate service interventions on the pathway to stable accommodation (which is one of the intended outcomes outlined in Appendix A), they will not be counted for the purpose of payment for outcomes. Unsuitable accommodation including overcrowded dwellings<sup>1</sup> is also excluded.

To demonstrate the achievement of the stable housing outcome, the following metrics have been developed. The proposed verification sources are not exhaustive and proponents may consider other options that appropriately balance robust data collection and sensitivity to client needs.

Table 3: Metrics for stable housing outcome

Metrics	Definition	Potential Verification Source
3 month sustained accommodation	Includes: 1. Tenancies under social housing.	For 1. & 2. – FACS administrative data (social housing + private rental subsidy).

<sup>1</sup> Severely crowded conditions are defined in the ABS Census as living in a dwelling which requires 4 or more extra bedrooms to accommodate the people who usually live there, as defined by the Canadian National Occupancy Standard (CNOS):  
<<http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/2049.0Main%20Features402016?opendocument&tabname=Summary&prodno=2049.0&issue=2016&num=&view=>>.

12 months sustained accommodation	<p>2. Private leases through the assistance of FACS' Private Rental Subsidy (PRS).</p> <p>3. Living arrangements with relatives/kin.</p>	For 3. - Self reported, with degree of validation to be agreed.
3 months sustained independent housing	<ul style="list-style-type: none"> <li>Means the person has exited social housing and / or does not require the assistance of FACS' Private Rental Subsidy to secure the dwelling.</li> <li>Affordable housing and receiving one-off rental assistance from FACS are acceptable (please see above).</li> <li>The person should be the leaseholder or holds the title of the particular dwelling.</li> <li>The relevant dwelling for the 12 months sustained independent housing metric need not be related to the one premise; however, it is expected that there will be no more than a (one) month gap between tenancies.</li> </ul>	<ul style="list-style-type: none"> <li>Lease agreement / sales contract.</li> <li>FACS data (to verify the client no longer accesses social housing or Private Rental Subsidy).</li> <li>Registered bill (to verify 12 month sustained metric).</li> </ul>
12 month sustained independent housing		

Please note: qualitative survey results and 'spot checks' will be incorporated in the verification sources to ensure that relevant conditions are being met in practice.

### 3.2 Improved Education / Employment

It is widely accepted that unemployment is a contributing factor to housing instability and homelessness. As such, one of the targeted outcomes is improved engagement with education and employment, to support people towards stability and independence.

Table 4: Metrics for education / employment outcome

Metrics	Definition	Potential Verification Source
Training completion	<p>Person will complete a training program relevant to jobs or skills required in their region.</p> <p>For guidance on the types of program, please refer to the <a href="#">NSW Skills List</a> which covers all qualification levels from Certificate I to Advanced Diploma, select foundation skills courses, all apprentices and selected traineeships.</p>	Training course certificate of completion
3 months of sustained employment	<p>Person will be working, on average, at least 14 more hours per week since registering with the relevant program / intervention.</p>	<ul style="list-style-type: none"> <li>Pay slips from the Person's employer to evidence the required number of hours</li> <li>Time sheets approved by a Person's employer to evidence the required number of hours</li> <li>An email or letter from a Person's employer declaring the time frame and working hours of employment</li> <li>Where the proponent is also the employer (e.g. a labour hire company), payslips or copies of invoices to host employers (with employee details) will be required.</li> </ul>
6 months of sustained employment		
12 months of sustained employment		

Engagement in structured activity – volunteering or internship (paid or unpaid) for at least four weeks (noting the Fair Work Ombudsman’s guidance on lawful unpaid work)	For volunteering – person will be involved in a volunteering position for at least four weeks that provides relevant experience for desired employment.  For internship – person will complete at least four weeks of an internship program.	For volunteering – letter from non-profit organisation detailing nature of volunteering role, hours and frequency and confirmation of participation (e.g. email or letter from organisation)  For internship – letter of completion, contract, or employer statement, on letterhead from internship provider confirming details of the internship, including period, frequency, activities and conditions
---	--	---

### 3.3 Reduction in re-incarceration

Stable housing and support play an important role in reducing offending behaviour, with individuals more likely to return to prison if they are homeless or do not have the necessary accommodation support (Australian Housing and Urban Research Institute (AHURI) 2004). As such, a metric to reward reduced interactions with the justice system has been included in the homelessness rate card.

Table 5: Metrics for re-incarceration outcome

Metrics	Definition	Potential Verification Source
No re-incarceration within 12 months from release	Individual not re-incarcerated for a court-finalised new offence 12 months following release from custody	Justice administrative data

### 3.4 Other outcomes

The NSW Government recognises that there will be a complex interaction of outcomes that cut across multiple Government agencies. In order to simplify investment development and manage transaction costs, a subset of payment metrics has been adopted in the outcomes Rate Card. OSII and FACS acknowledge that the metrics included are not exhaustive and may exclude key outcomes for some service providers.

Market consultation demonstrated particularly strong interest in the inclusion of health and wellbeing metrics. As stated in section 4 of *Appendix A – Reducing the risk of homelessness*, one of the intended outcomes is achieving better health and wellbeing outcomes through the social impact investment. However, there is an important distinction between the intended outcomes sought and the payment metrics outlined above. Whilst health and wellbeing are not included as payment metrics, proponents are encouraged to propose evaluation questions around other outcomes (e.g. health and wellbeing) so that these outcomes can be captured as part of the overall program evaluation.

---

## 5. References

Allard, T. et al. (2014) *The monetary cost of offender trajectories: Findings from Queensland (Australia)*, Australian and New Zealand Journal of Criminology, Vol. 47, p. 81–101.

Baldry, E., McDonnell, D., Maplestone, P. and Peeters, M. (2004) *The role of housing in preventing re-offending*, AHURI Research and Policy Bulletin No. 36, Australian Housing and Urban Research Institute Limited, Melbourne, <<https://www.ahuri.edu.au/research/research-and-policy-bulletins/36>>.

Corrections Research Evaluation Statistics (CRES) internal data.

ICF Consulting Services (2017), *Evaluation of the Fair Chance Fund: Second interim report*, Department for Communities and Local Government (UK).

NSW Department of Family and Community Services, Specialist Homelessness Services Supplementary Data 2016-17.

NSW Department of Family and Community Services, Public Housing Internal Data 2016-17.

Out-of-home care leaver Linked Dataset (commissioned by the Office of Social Impact Investment).

Report on Government Services (2014), Steering Committee for the Review of Government Service Provision, Productivity Commission.

DRAFT