

The Benevolent Society Social Benefit Bond

Bond's performance measurement framework

The Benevolent Society Social Benefit Bond was launched in October 2013 to fund the implementation of Resilient Families over 5 years. The Bond was jointly developed by a consortium of The Benevolent Society, Westpac Institutional Bank and the Commonwealth Bank of Australia, together with the NSW Government. It was designed to be an innovative pilot initiative and as such provides a platform for significant learning and development.

The performance of the Bond, and therefore the level of returns to investors, is measured by comparing the children who receive the Resilient Families service against a control group of children who do not receive the service on the following three measures:

- entries into out-of-home care;
- safety and risk assessments (SARAs) commenced; and
- reports to the Child Protection Helpline.


As robust measurement is a key principle of social impact investment, the partners in the Bond have been monitoring and analysing the results on these key measures since its implementation. A lot of work has been undertaken to ensure the performance measurement framework is accurate and truly reflects the outcomes achieved by the service.

To inform this work, an ongoing process evaluation of the Bond is being undertaken by ARTD Consulting. This evaluation has assessed the implementation and outcomes of the Resilient Families service over its first three years of operation. In addition, in 2016 the Office of Social Impact Investment engaged ACIL Allen Consulting to conduct a review of the Bond's performance measurement framework. Both recommended changes to provide a more accurate framework for measuring performance of the service, and determining payments to investors. In particular, the evaluation and review raised the risk of observation bias in the results.

The NSW Government has worked with the consortium to understand the recommendations and impacts of amending the performance measurement framework. As a result, the following refinements to the measurement framework have been implemented to address the risk of observation bias:

- only reports to the Child Protection Helpline from NSW Police and health care professionals will be counted; and
- SARAs will be counted from 6 months after each individual's measurement commences.

There have been no changes made to the way entries into out-of-home care are counted as it is considered to be an accurate reflection of performance. The revised performance measurement framework has been retrospectively applied to the data collected since the commencement of the Bond.



While the Bond's returns will be paid after the Bond ends in December 2018, if it was paid out based on the third year results, capital protected class investors and capital exposed class investors would receive a 6% or 10.5% return on investment, respectively.

The update to the measurement framework for the Bond demonstrates the NSW Government's commitment to continuous learning and ensuring measurement of social impact investments is robust and accurate. It is also a great example of how public, private and not-for-profit sectors can work collaboratively to respond to learnings and produce better outcomes for the community.

