

Social Impact Investment Schedule - South Australia

PROJECT AGREEMENT FOR COMMONWEALTH STATE SOCIAL IMPACT INVESTMENTS

PART 1: PRELIMINARIES

1. This Bilateral Schedule (Schedule) to the Project Agreement for Commonwealth State Social Impact Investments (Agreement) should be read in conjunction with the Agreement. This Schedule has been developed in accordance with Part 3 of the Agreement.

PART 2: FORMALITIES

2. This Schedule is between the Commonwealth of Australia (the Commonwealth) and the State of South Australia (SA).
3. This Schedule will commence as soon as it is signed by the parties.
4. This Schedule will expire on 30 June 2027, or on completion of the projects, including final performance reporting and processing of final payments against milestones, unless terminated earlier.
5. Under this Schedule, the Commonwealth will make payments to SA that are based upon the outcomes achieved by the Newpin Program ("**Newpin**") and the Resilient Families Program ("**Resilient Families**"). The maximum funding available under this Schedule for both programs is \$5.0m.
6. Commonwealth payments will be subject to milestones, reporting requirements and payment arrangements as set out in Part 4 and 5 (including Table 1) of the Agreement.
7. The Commonwealth's estimated financial contributions to SA under this Schedule are set out in Table 2 of this Schedule.

PART 3: DELIVERY OF SOCIAL IMPACT INVESTMENT PROJECTS

Newpin

8. SA will enter into a Program Deed with Uniting Communities under which Uniting Communities will operate Newpin over seven years (Newpin Deed). Newpin will support an estimated 244 families where a child is on a temporary out of home care order where reunification is a goal.
9. A proportion of funding for Newpin will be tied to improvements in the Reunification Rate compared to the counterfactual specified in the Newpin Deed. The Reunification Rate is the proportion of children in the intervention group who have been reunified, and continue to be

reunified, with their parent(s) on the day that is 18 months after their Enrolment Date in the Newpin Program.

10. The Commonwealth will provide \$1.37m in fixed payments to SA to support the program, with a further \$22,662 per reunification above the counterfactual. This is subject to the maximum funding available under this Schedule for both programs.

Resilient Families

11. SA will enter into a Program Deed with the Benevolent Society under which the Benevolent Society will operate Resilient Families over six years (Resilient Families Deed). Resilient Families will support an estimated 300 children, providing on average 12 months of in home support to families, to reduce the rate of children entering out of home care.
12. A proportion of funding for Resilient Families will be tied to improvements in the preservation rate (avoided entries into out of home care) compared to the counterfactual specified in the Resilient Families Deed of 80 per cent.
13. The Commonwealth will provide \$1.608m in fixed payments to SA to support the program, with a further payment (Outcome payment) of \$30,210 multiplied by the preservation rate less 80 per cent. This is subject to the maximum funding available under this Schedule for both programs.

PART 4: PROJECT MILESTONES, REPORTING AND PAYMENTS

14. Table 1 in this Schedule summarises the milestones for the projects, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made. The Commonwealth will make payments subject to the annual performance report demonstrating the relevant milestone has been met.

Table 1: Performance requirements, reporting and payment summary

Outputs	Performance milestones	Due	Payment
Sign deed of implementation with service provider	Newpin Deed signed	20 June 2021	\$0.313m
	Resilient Families Deed signed	20 June 2021	\$0.218m
Annual operation of service and support for clients in both programs	Copy of Service Delivery Report and Invoice	20 June 2022	\$0.431m (Newpin) \$0.300m (Resilient Families)
	Copy of Service Delivery Report and Invoice	20 June 2023	\$0.313m (Newpin) \$0.218m (Resilient Families)
	Copy of Service Delivery Report and Invoice	20 June 2024	\$0.313m (Newpin) \$0.218m (Resilient Families)
	Copy of Service Delivery Report and Invoice	20 June 2025	\$0.313m (Newpin) \$0.218m (Resilient Families)
	Copy of Service Delivery Report and Invoice	20 June 2026	\$0.313m (Newpin) \$0.218m (Resilient Families)
	Copy of Service Delivery Report and Invoice	20 June 2027	\$0.218m (Resilient Families)
Increase in reunification rate of participant children compared to counterfactual.	Newpin - Evidence of total outcomes achieved (number of incremental reunifications above counterfactual) and outcome payment owing, and invoice.	20 June 2027	Approximately \$1.153m (Final amount dependent on outcomes achieved – see below.)
Increase in the preservation rate of participant children compared to counterfactual.	Resilient Families - Evidence of total outcomes achieved (percentage of incremental preservations above counterfactual of 80 per cent) and outcome payment owing, and invoice.	20 June 2027	Approximately \$0.243m (Final amount dependent on outcomes achieved. – see below)

PART 5: FINANCIAL ARRANGEMENTS

15. The total Commonwealth funding contribution to SA across both programs is capped at \$5m.
16. In 2026-27, the Commonwealth will pay for outcomes achieved in Newpin and Resilient Families. An estimate of expected outcomes is at table 2. However actual final outcome payments due will be based on the following calculation.
 - a. Newpin: The total outcome payments earned minus the advanced outcome payments of \$626,000 already paid. Subject to the maximum funding available under this Schedule for both programs.
 - i. The total outcome payments earned is equal to \$22,662 multiplied by the total number of restorations above counterfactual achieved in 2020-21 to 2026-27, plus \$22,662 multiplied by the average annual number of restorations above counterfactual achieved per year over the previous three years.
 - ii. If the total outcome payments earned is less than \$626,000, then the final outcome payment will be zero.
 - b. Resilient Families: \$30,210 multiplied by the total preservation rate less 80 per cent achieved in 2020-21 to 2026 27. Subject to the maximum funding available under this Schedule for both programs.
17. The outcome payment amounts, other than the advance outcome payment, are due in 2026-27 based on evidence of outcomes achieved and invoice.

Table 2: Estimated financial contributions to SA (\$m)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Contribution to standing charge (Newpin)	0.313	0.431	0.313	0.313	0	0	0	1.370
Advance outcome payment (Newpin)	0	0	0	0	0.313	0.313	0	0.626
Final outcome payment (Newpin)	0	0	0	0	0	0	1.153	1.153
Contribution to standing charge (Resilient Families)	0.218	0.3	0.218	0.218	0.218	0.218	0.218	1.608
Outcome payment (Resilient Families)	0	0	0	0	0	0	0.243	0.243
Total	0.531	0.731	0.531	0.531	0.531	0.531	1.614	5.000

PART 6: GOVERNANCE ARRANGEMENTS

Research and Evaluation and Release of Information

18. SA will commission an evaluation of Newpin and Resilient Families and will share evaluation findings with the Commonwealth. SA will provide copies of any independent evaluator reports to the Commonwealth within 6 months of receiving them. This clause will survive the expiration or any termination of this Schedule.

19. The Commonwealth will obtain SA's consent before making any public commentary or publication of information about Newpin and or Resilient Families. This clause will survive the expiration or any termination of this Schedule.
20. SA will obtain the Commonwealth's prior consent for the public release of any public commentary about any matters covered by this Schedule.
21. The Commonwealth will obtain SA's prior consent for the public release of any information about the Commonwealth/SA partnership on the social impact investments. This clause will survive the expiration or any termination of this Schedule.

Termination or Amendments

22. In the event that either the Newpin Deed or the Resilient Families Deed are terminated, all clauses in this Schedule related to the terminated program will be void from the time the relevant deed is terminated. The Commonwealth will continue to pay for the fixed and outcome payments for the program that has not been terminated. The parties agree to negotiate in good faith any required amendments to the Schedule following termination of one of the programs.
23. In the event that by 30 June 2021 neither the Newpin Deed or Resilient Families Deed have yet been entered into, this Schedule will be void and the parties will renegotiate a new schedule under the Agreement in good faith at such time as either or both of the Deeds are entered into.
24. In the event that SA and Uniting Communities or Benevolent Society enter into negotiations that may lead to the termination or amendment of either Deed, SA will inform the Commonwealth about the progress of those negotiations. This may be through the operation of the Steering Committee or by other means.
25. The parties agree to negotiate in good faith any amendments to this Schedule that may be required to appropriately reflect changes to the Deeds.
26. In the event that both Deeds are terminated, this Schedule will be terminated.
27. The parties may terminate this Schedule by agreement in writing by both parties.
28. In the event that this Schedule is terminated early by either party, the Commonwealth will pay any amount owing as at the termination date, plus an amount owing for any outcomes achieved above the counterfactual prior to the termination date, using the formula set out at clause 16. The Commonwealth will make no subsequent payments. The Commonwealth will not contribute to termination break costs. The Commonwealth will not seek to recover any fixed payments made before the termination date.

Steering Committee

29. SA will invite the Commonwealth to participate in Steering Committee meetings in an observer capacity for the life of the programs.

The Parties have confirmed their commitment to this Schedule as follows:

Signed for and on behalf of the Commonwealth of Australia by



Senator, the Honourable Anne Ruston
Minister for Families and Social Services

9 / 3 / 2021

Signed for and on behalf of the State of South Australia by



The Honourable Rob Lucas MLC
Treasurer of the State of South Australia

21 / 3 / 2021