

MEDIA RELEASE

AUSTRALIA'S FIRST SOCIAL BENEFIT BOND REACHES MATURITY

9 October 2018 – This month, Australia's first Social Benefit Bond matures, as announced by The Benevolent Society – Australia's first charity.

A Social Benefit Bond is an innovative finance mechanism where private investors fund a program designed to achieve results that will improve outcomes for people and deliver taxpayers value for money. In this case, the program is called Resilient Families – an intensive family support program that seeks to keep families together and prevent children from entering out of home care.

Under the five-year Social Benefit Bond, the Resilient Families program has been delivered by The Benevolent Society in partnership with private investors, Commonwealth Bank and Westpac and the NSW Government.

In keeping with the design of Social Benefit Bonds, investors receive a return from the government proportional to the results of the funded program. In this case, **investors received a six per cent return in the Protected Class and 10.5 per cent in the Exposed Class.**

"Although recent changes to the system have seen improvements, the number of children entering out of home care is today three times the rate that it was 20 years ago. This is a challenge that government and service providers are seeking to urgently address and Resilient Families has demonstrated that we can significantly reduce the number of children being removed from their families," said Matt Gardiner, Executive Director of Child and Family Services for The Benevolent Society.

"The Resilient Families program achieved incredible results thanks to the unique dynamics of collaboration across families, government, not-for-profit and investors over its five-year life-span," added Mr Gardiner.

The Resilient Families program achieved an average preservation rate over the life of the Bond of 86 per cent, which is comparable to the best evidence-based programs from around the world.

The performance of Resilient Families was assessed against a control group of families that received a 'business as usual' response from the NSW Department of Family and Community Services. **32 per cent fewer children in the program entered out of home care than those of the control group.**

Commonwealth Bank Executive Director Debt Capital Markets Origination Rob Kenna said: "We're committed to supporting innovative financing solutions that enable positive social impacts. As Australia's first social benefit bond to reach maturity, the success of the Resilient Families program is evidence of the effectiveness of this funding approach. The strong performance of the social benefit bond delivered balanced and sustainable outcomes for investors, government and the community. We hope the success of this program spurs further investment and collaboration with not-for-profits, government and the private sector to address these important social challenges."

Westpac Group, Executive Director Structured Finance, Craig Parker said: "Westpac is proud to have helped create an innovative Bond to finance the Resilient Families programme. It delivered a meaningful social outcome by materially reducing the number of children entering out of home care. This partnership is a great example of Westpac's vision to help our people, customers and communities to prosper and grow together. Social Benefit Bonds have now been introduced in several other States and we look forward to continuing to work with Governments and key community service providers to expand the use of Social Benefit Bonds in order to address pressing social needs in Australia."

With the maturity of the Social Benefit Bond, the Resilient Families program has attracted ongoing funding through another innovative financing model in NSW and The Benevolent Society is exploring opportunities to deliver the program in other states across the country.

FOR ALL MEDIA ENQUIRIES – INCLUDING INTERVIEW OPPORTUNITIES – PLEASE CONTACT:
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About The Benevolent Society - Australia's first charity, working as a catalyst for social justice and change for over 200 years. Founded in 1813, The Benevolent Society advocates for a better life for all Australians, and provides in-home services for older Australians, and people with disability, as well as providing programs in Family support and early intervention. We help people age well and live their best lives, staying in their homes wherever possible. For more information, please visit benevolent.org.au, on Facebook/thebenevolentsociety or on Twitter - @BenevolentAU

About Commonwealth Bank - Commonwealth Bank is Australia's leading provider of integrated financial services, including retail, premium, business and institutional banking, funds management, superannuation, insurance, investment and share-broking products and services. Commonwealth Bank's Institutional Banking & Markets (IB&M) division has core capabilities across transactional and working capital banking, debt financing solutions, financial markets and risk management products. The business is responsible for developing and providing products for our corporate clients both within Australia and globally.

About Westpac Institutional Bank - Westpac Institutional Bank is one of Australasia's leading providers of specialised financial services solutions to commercial, corporate, institutional and public sector customers operating across Australia, New Zealand, Asia, Europe and the US. By collaborating with our customers, our team of specialists provide insights and tailored solutions that meet the individual needs of each customer and help them achieve their long-term strategic goals. In an environment of constant change, WIB aims to lead the way by taking every opportunity to drive purposeful innovation in order to help their customers thrive.

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