

Social Investment

Importance of data and information sharing as the new frontier of evidence-driven practice

Presentation to NZ Policy Research Institute

Dr Craig Jones, Acting Chief Executive

November 2024



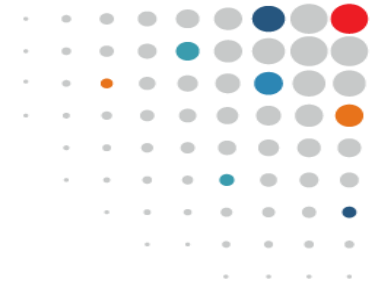
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What is Social Investment?

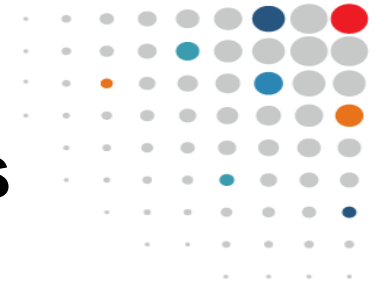
The rigorous, systematic and consistent use of data and evidence to get better outcomes for people.



This is a form of evidence-based social policy that builds off a long history...

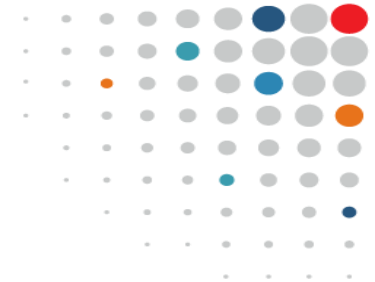
(with apologies for the exclusively western European lens on this slide...)





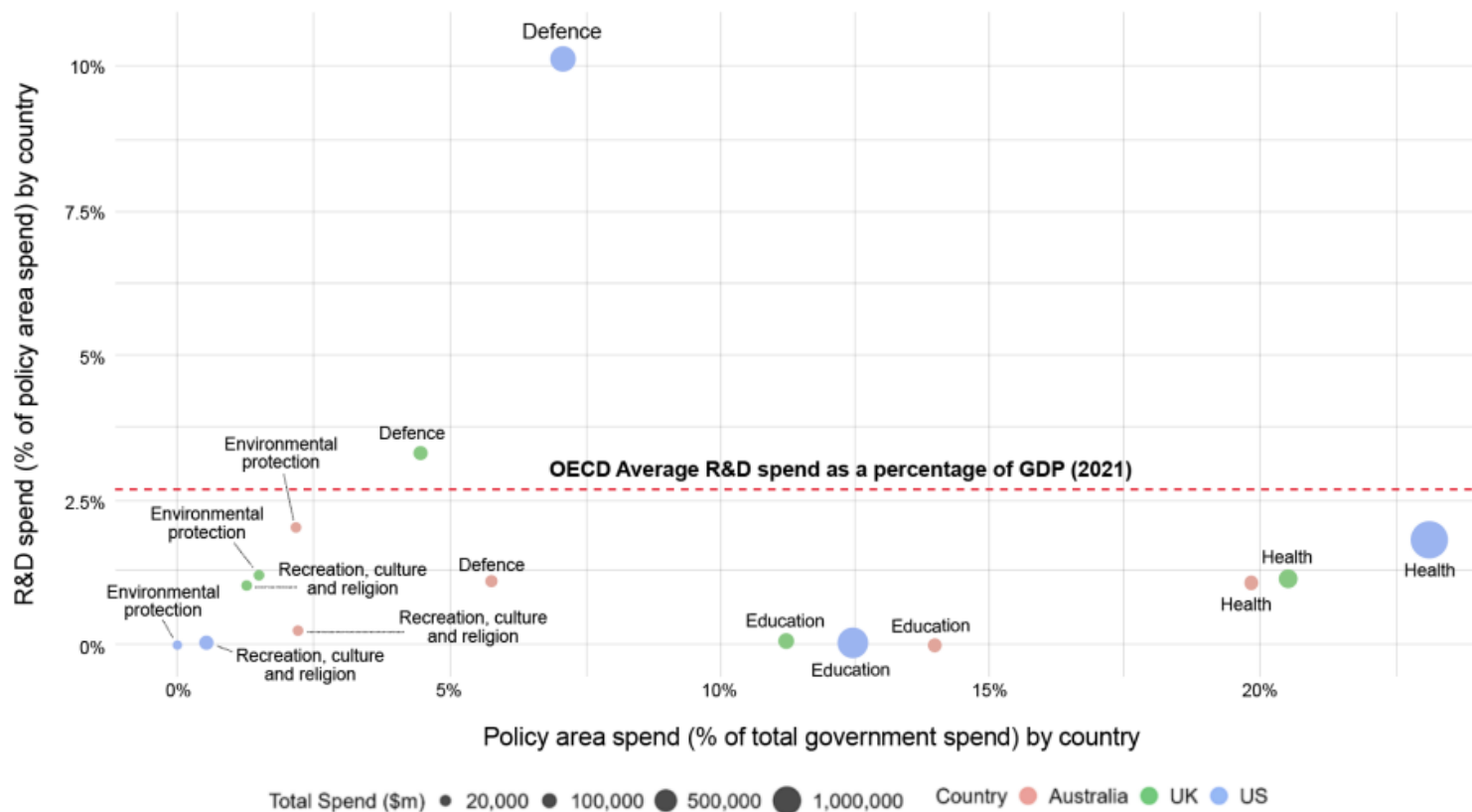
Notable recent examples of evidence-based policy reforms

1. Public health response to COVID-19
2. Tobacco control policies
3. Minimum wage policies
4. Criminal justice reforms, e.g. Drug Courts
5. Early childhood education expansion



Yet, today we allocate <1% of social spend on R&D

R&D spend compared to total expenditure by policy area (Australia, UK, U.S.) 2021-22
 (based on OECD data: [public finance by function](#) & [government budget allocations for R&D](#))



Halpern, D. & Maru, D. (2024). *Global evidence report: A blueprint for better international collaboration on evidence*. UK Economic and Social Research Council

If anything, NZ is behind comparable countries, spending around 1.5% of GDP on R&D across all sectors

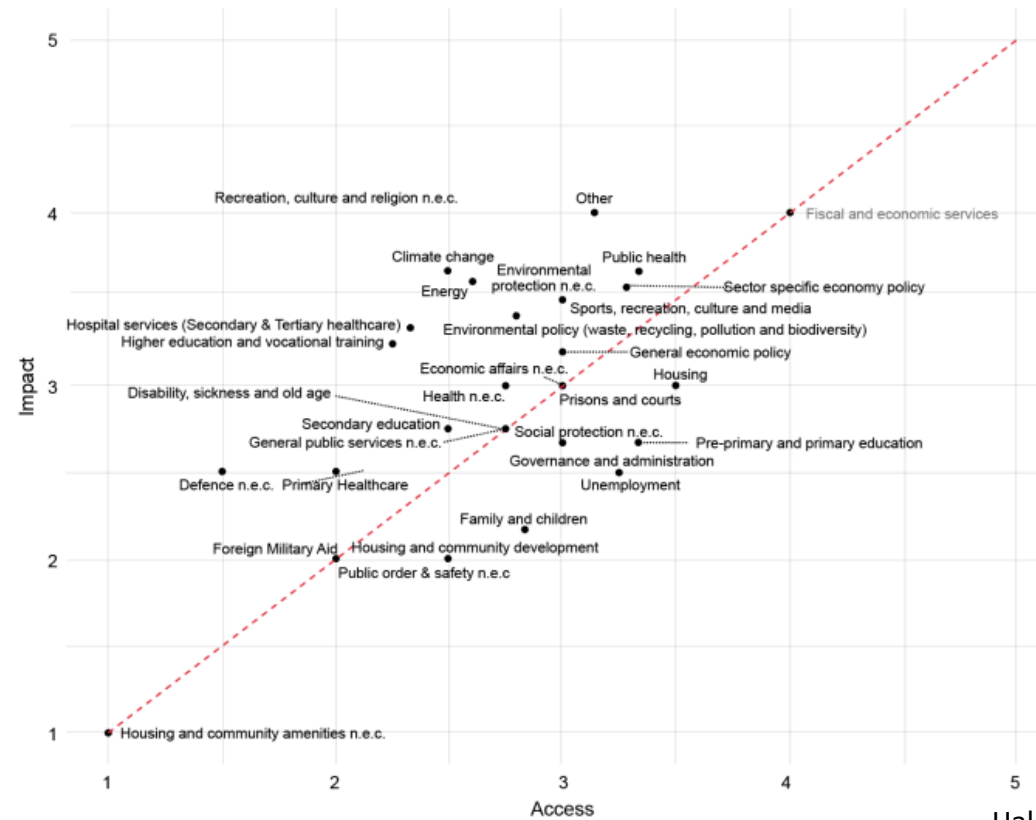
Total research and development expenditure as a proportion of GDP										
By selected countries										
Selected country	2018	2019	2020	2021	2022					
	Percentage of GDP									
Total all sectors										
Australia	...	1.8					
Denmark	2.97	2.9	2.97	2.76	...					
Finland	2.76	2.8	2.91	2.99	...					
Ireland	1.16	1.23	1.22	1.11	...					
Israel	4.78	5.22	5.71	5.56	...					
New Zealand	1.35	...	1.47	...	1.47					
Norway	2.03	2.14	2.24	1.94	...					
OECD total	2.5	2.57	2.74	2.72	...					
Singapore	1.81	1.9	2.22					
Switzerland	...	3.2	...	3.36	...					
United Kingdom	2.7	2.67	2.93	2.91	...					
United States	3.01	3.17	3.47	3.46	...					

Stats NZ (2024). *Research and Development Survey: 2023.*

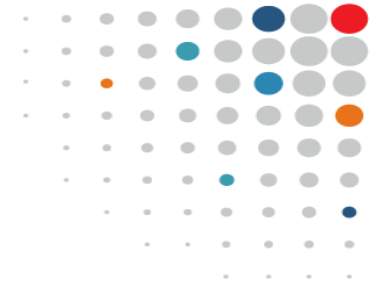


And without access to evidence, it won't have any impact on decisions

Figure 13: Correlation between impact of evidence on policy decision-making and access to evidence, per COFOG Level 2 (data as of 30 March 2024)

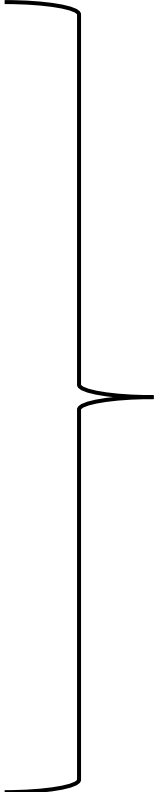


Halpern, D. & Maru, D. (2024). *Global evidence report: A blueprint for better international collaboration on evidence*. UK Economic and Social Research Council



Five reasons approaches to build evidence into social policy decision-making have failed in the past

1. Political and institutional barriers
2. Data availability, quality, use
3. Low capability to understand core concepts like causality
4. Complexity of policy contexts
5. Cost and time constraints



To be successful, Social Investment needs to overcome these barriers

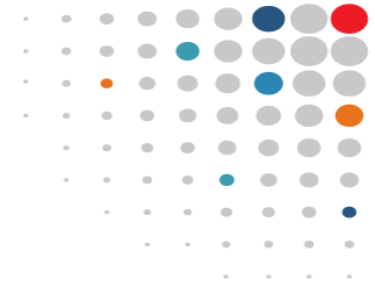


A social investment approach will help us understand **who** we need to invest in, **what works** for those people and **how we measure** progress.



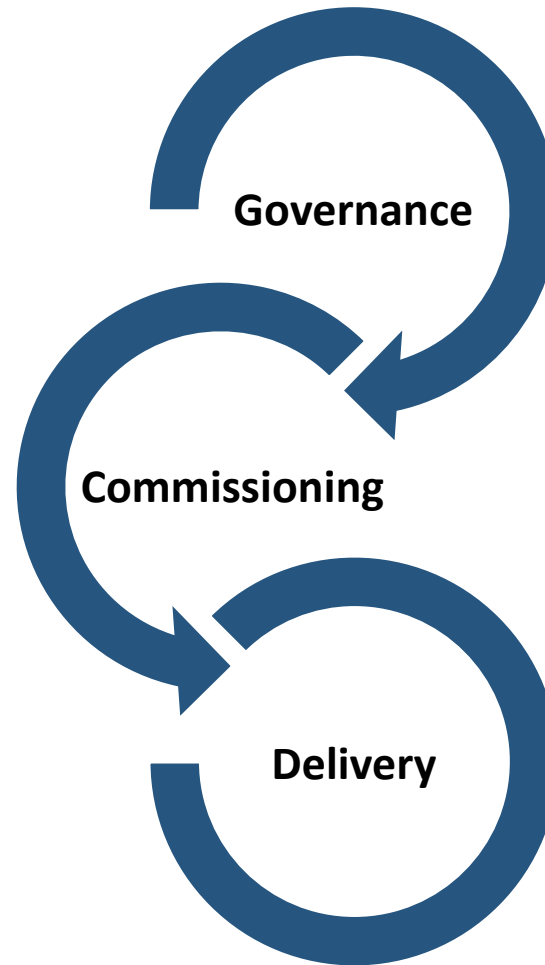
In practice it means:

- Setting clear, measurable goals
- Using information and technology to better understand people's needs
- Knowing what works to address need
- Purchasing outcomes (not outputs)
- Investing in the right services that are supported by data and evidence at the frontline to enable feedback loops
- Systematically measuring the effectiveness of services.



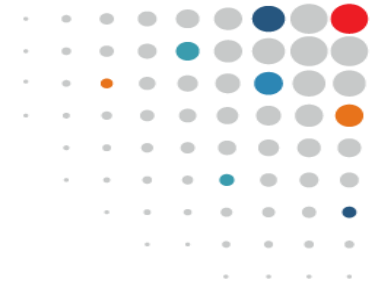
Social investment operates at multiple levels of decision-making

- Identify and target cohorts
- Lead and lag outcome measurement
- Outcome-based contract development
- Monitoring relative to counterfactuals
- Portfolio optimisation

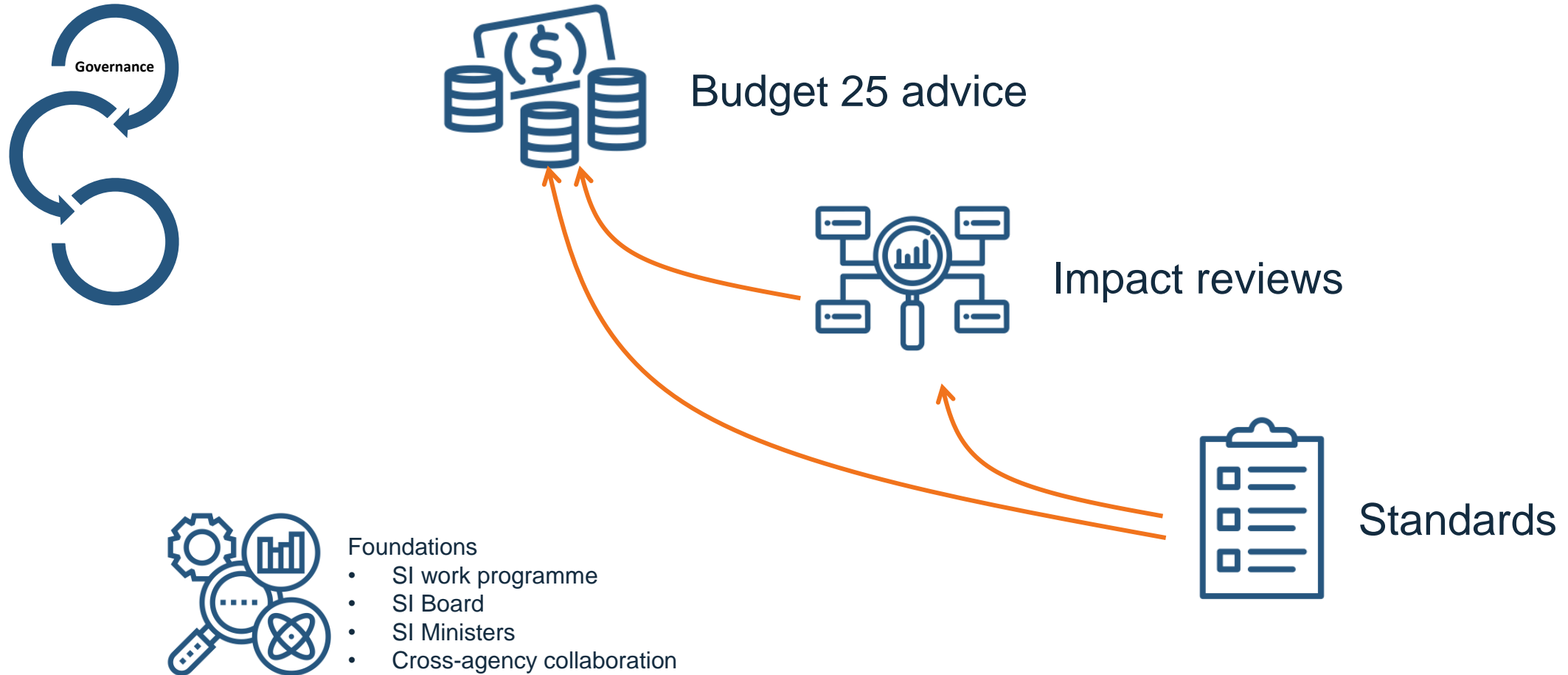


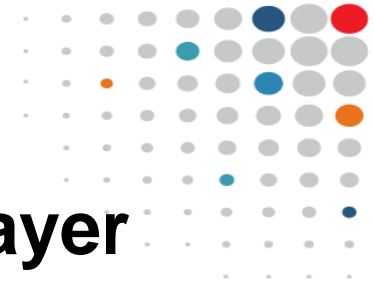
- Direction setting
- Identification of system outcomes
- Reallocation from low- to high-value investment
- Campaign commissioning
- System performance

- Provider-led service design
- Secure funding with outcome incentives
- Better targeting of need
- Avoidance of cherry-picking and risk shifting
- Feedback loops for continuous learning

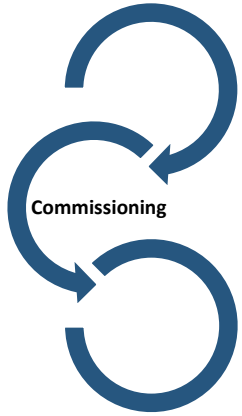


Things SIA are driving at the governance layer





Things SIA are driving/supporting at the commissioning layer



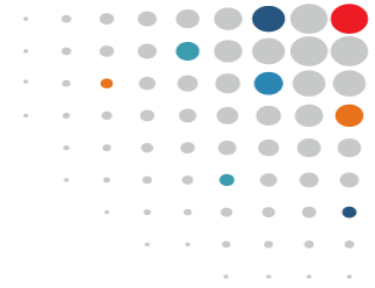
Social Investment Fund design



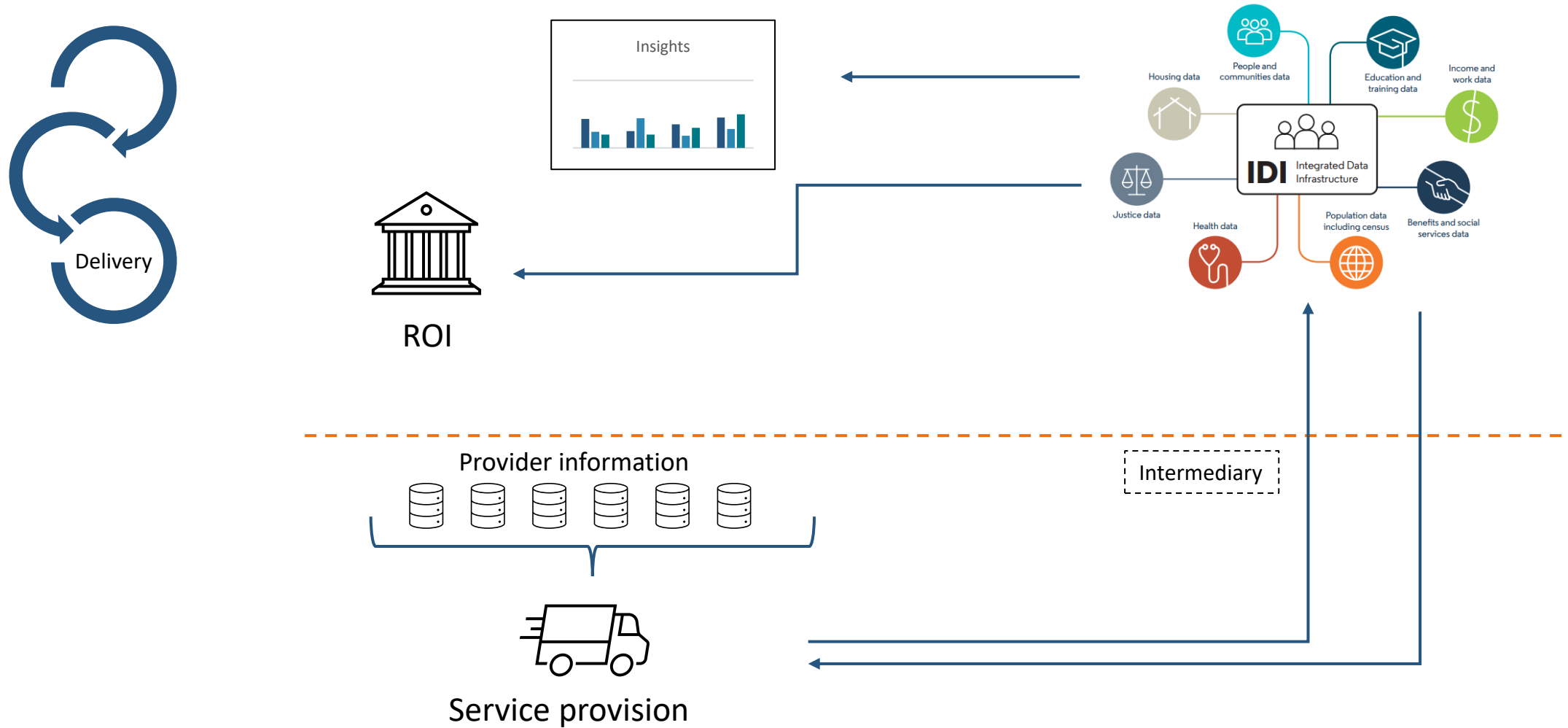
New ways of commissioning services

The complex block contains three overlapping document covers:

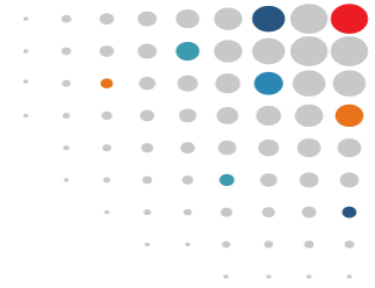
- Te Puni Kōkiri Whānau Ora Commissioning Services:** A purple document with a decorative pattern at the bottom. The text includes "Te Puni Kōkiri", "Registration of Interest", "Whānau Ora Commissioning Services", and "GETS Reference: 30329580".
- Components of Social Investment Outcomes Contracting:** A white document with a central circular diagram showing a cycle of four blue arrows around a central red icon of three hands holding a dollar sign.
- Health New Zealand Te Whatu Orah and Addiction Community Sector Innovation Fund: Frequently Asked Questions:** A white document with a purple header. It includes sections for "Mental Health and Addiction Community Sector Innovation" and "Rough the Innovation Fund?".



Things SIA are supporting at the delivery layer

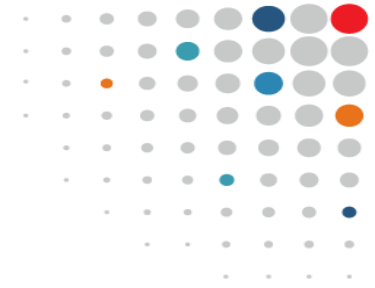


Adapted from: Mansell, J (2024). *A Blueprint for Social Investment*



Of the 5 risks outlined earlier, which should we be most worried about?

1. Political and institutional barriers
2. Data availability, quality, use
3. Low capability to understand core concepts like causality
4. Complexity of policy contexts
5. Cost and time constraints



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