

# The Aspire Social Impact Bond: How social impact bond financing can promote positive social and economic outcomes

Veronica Coram<sup>1</sup> | Selina Tually<sup>1</sup>  | Leanne Lester<sup>2</sup> |  
Michael Kyron<sup>2,3</sup> | Paul Flatau<sup>2</sup> | Ian Goodwin-Smith<sup>1</sup>

<sup>1</sup>Centre for Social Impact Flinders, College of Business, Government and Law, Flinders University, Adelaide, South Australia, Australia

<sup>2</sup>Centre for Social Impact UWA, Business School, University of Western Australia, Perth, Western Australia, Australia

<sup>3</sup>Suicide Prevention and Resilience Research Centre, School of Psychological Science, University of Western Australia, Perth, Western Australia, Australia

## Correspondence

Selina Tually, Centre for Social Impact Flinders, College of Business, Government and Law, Flinders University, GPO Box 2100, Adelaide 5001, SA, Australia.  
Email: [selina.tually@flinders.edu.au](mailto:selina.tually@flinders.edu.au)

## Abstract

Financing human service delivery through social impact bonds (SIBs) is the subject of some critical commentary in the academic literature, but this tends to be largely theoretical rather than empirically based. This paper presents empirical evidence of how SIB financing can promote positive social and economic outcomes for governments, not-for-profit providers, individual service beneficiaries and society more broadly. The paper presents some of the results of an evaluation of the Aspire SIB, which financed an innovative intensive case management program providing housing and wraparound supports over a 3-year period for people experiencing chronic homelessness. Aspire participants experienced significantly improved outcomes and decreased service needs, delivering downstream cost savings across several areas of government service delivery. This paper describes how the SIB financing mechanism underpinned the success of Aspire by promoting flexible, collaborative, outcome-focussed and data-informed responses to a challenging, multi-faceted social problem.

## KEYWORDS

avoided costs, homelessness, intensive case management, outcomes, social impact bond

This is an open access article under the terms of the [Creative Commons Attribution](https://creativecommons.org/licenses/by/4.0/) License, which permits use, distribution and reproduction in any medium, provided the original work is properly cited.

© 2024 The Author(s). *Australian Journal of Social Issues* published by John Wiley & Sons Australia, Ltd on behalf of Australian Social Policy Association.

## 1 | INTRODUCTION

Homelessness is a complex problem with multiple drivers and intersections across the social support system, including in areas such as housing, health, justice, welfare, domestic violence and child protection (Flatau et al., 2021). In Australia, homelessness responses are usually funded by a combination of federal and state governments and delivered by not-for-profit organisations operating as specialist homelessness services (SHS; also called providers). State government agencies, including housing authorities, health departments, police, courts and prisons, inevitably also have to respond to the impacts of homelessness through an increased need for services.

Australia's existing homelessness service system is primarily crisis-driven (Spinney et al., 2020). While individual services often produce good outcomes, the system as a whole has been characterised by poor coordination and a lack of data about interventions and their achievements, undermining its overall effectiveness (Brackertz et al., 2016). Despite the drivers and impacts of homelessness cutting across the social support system, collaborative and coordinated responses to the problem are rare (Parsell et al., 2020), limited to specific examples such as the Journey to Social Inclusion (J2SI) program and place-based efforts as part of the Advance to Zero campaign (Australian Alliance to End Homelessness, 2023). There are few opportunities for whole-of-government or system-level approaches to addressing homelessness, either at the individual, service or system levels (Spinney et al., 2020). The lack of such opportunity and practice limits the capacity of any individual actors to effectively address the problem of homelessness as they cannot do it alone. Notwithstanding evidence that supporting people into sustainable housing reduces their use of expensive health, justice, corrections, welfare and child protection services (Larimer et al., 2009; Wood et al., 2016; Zaretsky & Flatau, 2013), points clearly demonstrated through evaluation of the many (and ongoing) phases of the J2SI initiative in Melbourne (Flatau et al., 2020; Sievwright et al., 2020), conventional responses to homelessness pay little attention to how service investment can reduce downstream cost savings across government agencies (Dobrovic et al., 2022).

The Aspire program, structured and funded around a Social Impact Bond (SIB), required the establishment of mechanisms to facilitate collaboration across sectors and between government agencies, providing an opportunity to take a more coordinated and holistic approach to addressing homelessness. Outcome measurement for the SIB, and the evaluation of the first 4 years of program delivery, has shown that Aspire is a highly effective response to homelessness and delivers substantial downstream cost savings for the South Australian Government (Coram et al., 2022). This paper outlines how the SIB financing model promotes the conditions that support Aspire's success. The discussion begins by providing a general overview of the literature about SIBs. The paper then provides an overview of the Aspire program and underpinning SIB, as well describing the mixed methods approach used in the Aspire evaluation and goes on to outline the evaluation findings in relation to how the SIB framework underpinned Aspire's effectiveness and generated broader benefits and learnings.

## 2 | LITERATURE REVIEW

There is a growing body of work on SIBs. This section summarises this body of work, with the discussion structured around the key themes highlighted in the Australian and international literature: that is, defining SIBs, their utility and positive or negative attributes, and evaluative commentary on SIBs.

## 2.1 | Defining SIBs

SIBs are a form of social impact investment; specifically, a type of outcome-based commissioning broadly described as payment-by-results, payment-by-success or payment-by-outcomes contracts. The precise definition of a SIB remains fluid, with variation in meanings between countries. Jacob Broom (2021) in his review of the Australian SIB experience adopts a relatively straightforward definition:

SIBs are partnerships between public, private, and third-sector actors organized to privately fund a social program. The outcomes produced by that program, meaning changes in the behavior or conditions of a specified group of service recipients, are measured, and the investors who funded it are paid returns determined by those outcomes.

(p. 114)

SIBs are not actually bonds as there is no fixed interest rate, but rather returns contingent on performance targets being met (Guter-Sandu, 2021). Cooper et al. (2016) describe SIBs as akin to “futures contracts” between the commissioning body, the delivery agency and the investor. As with derivatives, the SIB's value depends on a specified event occurring, though unlike derivatives, the investor provides capital upfront to cover the projected costs of the activity (Maier & Meyer, 2017). SIBs share some of the features of debt instruments in that they are fixed-term investments with capped returns, and the capital can be secured, but like equity it can also be at risk (Maier & Meyer, 2017).

To the extent that SIBs require outcome data in the form of demonstrable social effects to function, they are aligned with a broader shift in human service delivery toward focussing on outcomes and impact rather than more immediate outputs. Government procurement has traditionally focussed more on outputs, and once funding is granted to a service delivery agency, the government must pay regardless of what is actually achieved. Under SIB funding arrangements, governments only pay if the desired outcomes are achieved, with the agreed amount paid back to SIB investors (not the service provider), via an intermediary. The performance indicators (targets) on which SIBs are based are most often designed to be proxy measures for longer-term, broader outcomes or impact. SIBs are sometimes seen solely as financial instruments, but they are also a policy response to a social problem or need.

## 2.2 | Silver bullet or devil's handiwork?

SIBs receive mixed reviews in the academic literature, which arises largely from overseas (particularly the UK and the United States) experience. SIBs have evolved rapidly, and there is limited published empirical research on the SIB experience in the Australian context. The first SIB, aimed at reducing prisoner recidivism, was established in the UK at Peterborough Prison in 2010. The second SIB, established in 2012, was the London Homelessness SIB, with which the Aspire SIB shares some similarity. Since then, many dozens of SIBs have been established in a range of countries across areas such as child protection, justice, education, workforce participation, youth services, refugee support, health and homelessness (Fitzgerald et al., 2020; Social Finance, 2016). Australia's first SIB was established in New South Wales in 2013. Australian SIBs operate at state level because state governments have responsibility for relevant human service areas, including SHS, corrections, child protection, youth services and most health and education services.

### 2.2.1 | Benefits of SIBs

SIBs are seen as having a range of potential benefits, with key themes from the literature being: *supporting service delivery reform* (including through collaborative modes of delivery); *testing or evolving new financing approaches*, with potential for cost-offsets or cost-sharing for governments; and *orienting actions (service delivery) to outcomes*, meaning longer rather than shorter-term outcomes (and away from evaluating work on the basis of outputs alone). Such key elements of how and why SIBs are structured and operate challenge traditional and often long-held approaches to service delivery, financing, risk management and, ultimately, impact.

SIB financing can promote innovation in service delivery because it allows governments to support different service models without carrying the full costs and risks associated; that is, governments can share or devolve costs and risks (for program set-up, delivery and monitoring, and unmet outcomes) to direct providers of services (non-government organisations in most cases) or to intermediaries managing the SIB. Moreover, SIB financing and focus on outcomes, rather than *how* they are achieved, tends to allow service providers a greater flexibility and scope to respond quickly to client's need than conventional government funding (Andreu, 2018; George et al., 2020). The outcome focus also promotes understanding of program effectiveness, building an evidence base that can inform government service delivery going forward.

While SIBs allow governments to shift some of the risk of testing new service delivery models to private investors, government commissioners do tend to retain significant financial and reputational risk (Edmiston & Nicholls, 2018; Tan et al., 2021). Government commissioners and service providers incur administrative and transaction costs associated with setting up a SIB and ongoing monitoring and outcome measurement, and little is known about the extent to which these costs are justified by the benefits of SIBs (Fitzgerald et al., 2020; Pandey et al., 2018). There are nonetheless compensatory, if less tangible, benefits for governments and service providers in addition to service delivery improvements and cost savings.

In part through setting objectives aimed at reducing impacts of social issues on the budgets of multiple government departments, SIBs generate new forms of collaboration within the public sector, as well as between the public, private and not-for-profit sectors. SIBs can help foster cross-sectoral networks and solidarities, and produce opportunities for shared learnings (Guter-Sandu, 2021; Sinclair et al., 2021). As Guter-Sandu (2021, p. 1073) notes “SIBs expand the horizon of the possible, foster mutual learning and the balancing of diverging worldviews, and encourage alliance-formation and social citizenship.” SIBs involve partnerships being built between different actors based on aligned interests, and these partnerships may outlast the SIB. It has been noted, however, that introducing new players (such as investors and intermediaries) and new goals (such as delivering investment returns) adds a layer of complication to this alignment of interests (Maier & Meyer, 2017; also Edmiston & Nicholls, 2018).

### 2.2.2 | Critiques of SIBs

Many academic critiques of SIBs argue that they facilitate an encroachment of the market (and financialisation) into areas formerly considered outside the realm of market forces, although such critiques have largely been theoretically rather than empirically demonstrated (see, e.g. Broom, 2021; Cooper et al., 2016; Laruffa, 2021; Sinclair et al., 2021). SIBs are framed as commodifying vulnerable people and promoting individual behavioural changes rather than focussing on the root structural causes of problems such as homelessness (Berndt & Wirth, 2019; Cooper et al., 2016; Wirth, 2021). Some commentators place SIBs in the context of a “behavioural turn” in policymaking over the last few decades, manifested in the growing influence of behavioural economics and prioritising structures supporting

personal responsibility and self-management by individuals (Berndt & Wirth, 2019; Cooper et al., 2016; Wirth, 2021). For other commentators, SIBs can be seen as the latest development in an ongoing retreat of government from direct welfare provision, supported by new/hybrid forms of governance (Edmiston & Nicholls, 2018; McHugh et al., 2013; also, more recently, French et al., 2023); or, as Warner (2013, p. 315) notes in her empirical reflection on early SIBs, the “(e)mergence of SIBs is a product of New Public Management style reforms that argue that only results matter, and that market processes are superior to government processes in designing, implementing and financing social programs.” (see Hevenstone et al., 2023 for further elaboration and perspectives).

Empirical evidence of how SIBs actually affect the different players involved, whether SIB financing is associated with positive program outcomes and, indeed, whether SIBs are an appropriate approach for supporting social programs are emerging areas of work within the literature (Fraser et al., 2018; Muir et al., 2018; Tan et al., 2021; Warner, 2013; Wilson et al., 2020; see also the helpful review of the extant literature to that point in time by Broccardo et al., 2020). Such papers note the need for critical reflection around SIBs (including for evaluators), acknowledging that SIBs are an industry in themselves; can establish, reshape or reinforce particular power dynamics among stakeholders within the services ecosystem/SIB operating context; can commodify the life experiences of vulnerable people and communities; require stakeholders to consider and balance social and economic motivations; and come with high transaction costs, related to setting up and monitoring finance and outcomes reporting mechanisms (Dixon, 2021; Heinrich & Kabourek, 2019; Neyland, 2018; Tse & Warner, 2020; Wilson et al., 2020). SIBs also require a significant and ongoing investment of time, effort and resources into appropriate structures and processes, including relationship building, as well as to ensure outcomes are appropriately framed, understood and, ultimately, worked toward and achieved.

### 2.3 | Evaluative commentary

The evaluation of the London Homelessness SIB (Mason et al., 2017) provides some empirical evidence of the impact of SIBs in the context of responding to homelessness. The evaluation found that the SIB framework promoted more innovative and flexible service delivery, with the payment-by-results nature of the SIB contract keeping service providers focussed on data, outcomes and achieving results. There was some evidence of shared learnings, with the SIB experience likely to have lasting effects for the government commissioners, although there were doubts raised about whether the service providers had benefited as much as they could have or in a sustainable way. The London Homelessness SIB evaluation found no evidence of “cherry-picking”—selecting clients who are most likely to generate positive outcomes—by the service providers. The evaluation also found that the SIB produced additional resources for the homelessness service sector, though it also created extra demands on some agencies.

Even the critics of SIBs tend to acknowledge that they make vital work possible (see, e.g. Andreu, 2018; George et al., 2020; Laruffa, 2021). A balanced view is required: “SIBs per se are neither the silver bullet for funding social policy nor the neo-liberal devil's handiwork” (Maier & Meyer, 2017, p. 31). Under the right conditions, SIBs provide an effective framework for service delivery and outcome measurement and can deliver a range of other benefits for the parties involved, though they are not appropriate in all circumstances (AHURI, 2020; Fitzgerald et al., 2020; Maier & Meyer, 2017; Muir et al., 2018). The evaluation of the Aspire SIB adds to the limited evidence base on how, with the right conditions in place, SIBs can promote collaborative partnerships and effective service delivery, generating improved outcomes for individuals and cost savings for government.

### 3 | THE ASPIRE PROGRAM AND SIB

Aspire is a homelessness program financed and underpinned by a SIB. Fundamentally, Aspire is an intensive case management program for people experiencing chronic or recurrent homelessness, or exiting medical or correctional facilities into homelessness that commenced in 2017 in Adelaide, South Australia (SA). The program provides wraparound supports over a 3-year period to help participants address issues relating to physical and mental health and wellbeing, substance abuse and social isolation, and to facilitate access to housing, employment and education and training. Aspire supports participants to build a strong foundation for positive and sustainable change in their lives. Importantly, the program continues to provide intensive case management after participants have been placed in stable housing, helping people to maintain their tenancies.

At the time of evaluation in mid-2021, 575 participants had been part of Aspire. Aspire is delivered through a collaborative partnership arrangement between a long-standing provider of SHS in central Adelaide, Social Ventures Australia as intermediary and the SA Government. Aspire is resourced to allow for more intensive case management over a longer duration than other SHS. The provision of housing is integrated with a coordinated program of holistic, multidisciplinary supports tailored to participants' individual needs. These program structures make Aspire a particularly good fit for people experiencing complex life circumstances and multiple barriers to securing and maintaining housing.

Aspire was the first homelessness response in Australia funded by a SIB, one of the earliest SIBs in Australia and the first in SA. The Aspire SIB (as it is generally referred to in shorthand by way of a reference to both the program and the underpinning SIB funding mechanism) officially runs from 2017 to 2024. Private investors, including investment funds, charitable trusts and individuals, contributed AUD \$9 million to the SIB. Investors receive returns paid by the SA Government partly on the basis of the outcomes achieved by Aspire. The three indicators used to assess program outcomes for the purposes of the Aspire SIB are as follows:

- the number of days Aspire participants spend as hospital inpatients (bed nights);
- the number of convictions they record; and
- the number of emergency accommodation support periods they access.

Outcomes are assessed against a counterfactual dataset based on the same three indicators for Aspire participants in the 2 years preceding their entry to the program. The better Aspire performs against the indicators, the greater the cost savings for the SA Government and the greater the returns on investment. Initial modelling for the Aspire SIB estimated investor returns of 4.5 per cent per annum for below-target outcomes, ranging up to 13 per cent per annum for outperformance of targets (Social Ventures Australia, 2021). Aspire participants who transition from homelessness to sustainable housing and benefit from wraparound supports are likely to have reduced engagement with hospitals, police, corrections, SHS and other services than if they had remained homeless. Cost savings from avoided service use should be greater than the initial investment in Aspire, while the value of improved wellbeing and quality of life for participants is immeasurable.

### 4 | METHODS

The evaluation of the Aspire SIB took a mixed methods approach, developing new qualitative data as part of the evaluation, as well as drawing on several quantitative (administrative) datasets. Data relating to the three indicators measured for the purposes of calculating investor returns and a range of other indicators were considered. Quantitative data from the service

provider and an extensive linked administrative dataset produced by the SA Government's data linkage service specifically to support the Aspire program and its evaluation were analysed (Coram et al., 2022, and are the specific focus of a separate forthcoming paper presenting quantitative findings in detail).

Qualitative data to support the Aspire program evaluation were gathered through 33 in-depth, semi-structured interviews with participants (9 people), staff (5), stakeholders, including from the government commissioning body, the intermediary, data governance and other service delivery; (17) and investors (2 people). The evaluation addressed the over-arching research question: To what extent does Aspire optimise outcomes for people experiencing homelessness in a way that is cost-effective for government and attractive to social impact investors? This paper focusses on the contribution made by the SIB framework to Aspire's outcomes, drawing largely on the qualitative data gathered through interviews.

Ethics approval for the Aspire evaluation was obtained from the SA Health Human Research Ethics Committee, approval number 2021/HRE00230. Interview participants were recruited through purposive sampling in consultation with the Aspire Joint Working Group, which included representatives from the government commissioning body, the intermediary and the service provider as well as other key stakeholders. Working group members nominated potential interviewees whose perspectives on the Aspire SIB would be useful to capture and sought permission to share their contact details with the researchers. The researchers then contacted prospective interviewees to invite them to participate.

Interviews were undertaken face-to-face, by phone and online depending on participant preference and with regard to COVID-19 restrictions in place at the time. The interviews were recorded with participant consent and transcribed by the researchers. The qualitative data were analysed thematically using adaptations of framework analysis methodology (Ritchie & Spencer, 1994; Spencer et al., 2014), with data coded (and observations/conclusions drawn) according to the key themes that were mentioned most frequently and with the greatest emphasis. Themes deduced were also informed by our readings of the literature on SIBs as well as consideration of materials developed for and about Aspire (from program idea through execution to the point of the evaluation) and triangulating conversations with members of the Aspire Joint Working Group. Key themes identified were as follows:

- Promoting innovation.
- Promoting flexibility and responsiveness.
- Promoting outcomes orientation.
- Promoting cross-sectoral collaboration.
- Promoting collaboration between government agencies.
- Developing data sharing infrastructure.
- Building an evidence base.
- Meeting investor demand.

It is notable in identifying and discussing these themes (below) that both “positive” and “negative” views were present in relation to each theme, with a range of missed opportunities identified (Coram et al., 2022). Severely constrained housing supply, lack of diversity in available housing options to suit people's needs and challenges around access to and availability of particular specialist and allied health services were dominant reflections in evaluation conversations and data. Such market realities were serving as a brake on outcomes for Aspire participants (and the system). Additionally, they were seen as a source of frustration in terms of responsiveness to participants' needs, a brake on necessary collaborative arrangements between the service provider and key services and limited the program's ability to affect or influence broader system change around Aspire learnings (an ongoing conversation).

Some evaluation findings in relation to the impact of the SIB framework are described in the next section. As one of only a small number of SIBs in Australia, key stakeholders' experience of the Aspire SIB is of significant interest in relation to government contracting practices and efficient, effective service delivery.

#### 4.1 | Methodological strengths and limitations

Evaluation of the Aspire program clearly benefitted from relative stability in the management of the program, the fact that finding stakeholders involved with the program at different time points was relatively straightforward and that stakeholders, including program participants, were more than willing to share their thoughts and experiences, positive (largely) and negative. Evaluator knowledge of the SHS landscape in South Australia was also a clear benefit, allowing for robust and open conversations with some stakeholders, although balanced with an active strategy of matching the right evaluator to stakeholder for conversations where there might be conflicts of interest or more productive conversations without a deeper relationship.

Some methodological limitations are acknowledged with the evaluation (Coram et al., 2022), specifically the difficulty the evaluators had with accessing program participants who had withdrawn from the program and investors willing to talk about their roles, motivations and experiences. Understanding the longer-term outcomes of the program (e.g. 5 years of post-engagement) is another potential limitation to identify. Addressing this limitation would require resourcing and maintaining ongoing relationships between all parties in the program (and possibly, the evaluators).

## 5 | FINDINGS AND DISCUSSION

The Aspire evaluation found that the program delivered positive outcomes for participants and downstream cost savings for government. Notably, participation in Aspire was associated with positive housing outcomes in relation to securing and maintaining tenancies, decreased use of emergency accommodation services, decreased use of emergency department and hospital inpatient services, decreased interaction with the justice system, increases in personal well-being and improvements in social inclusion and quality of personal relationships (Coram et al., 2022). The evaluation also found that the SIB framework is a key factor underpinning these outcomes in ways described in more detail below.

### 5.1 | Accountability to engaged investors

The Aspire SIB benefited from a pool of investors who were engaged with program design and keen to pursue further social impact investments after their Aspire experience (indeed some already had). The Aspire SIB has been very successful from the point of view of investor returns as well as effective service delivery. In its first 4 years of operation, Aspire delivered outcomes at the upper end of what was anticipated, which meant investors received returns in the highest bracket, which was forecast at the time of the capital raise, and this was expected to continue for the remainder of the SIB period.

Aspire investors (individuals and foundations, if not the large funds) tend to be more impact-led than finance-led, therefore driven more by program outcomes than by the SIB returns. Investors interviewed for the evaluation thought SIBs had potential to improve social outcomes in areas that governments had historically found hard to address. As one investor observed, "they are spending money but money is being churned, not leading to any positive



beneficial outcomes.” Investors had realistic expectations about how much SIBs could achieve, however, and reported being pleasantly surprised by both Aspire's social outcomes and financial returns.

Strong investor buy-in can give both governments and service providers a sense of being accountable for outcomes in different ways, demonstrating to program staff, for example, that their work is seen as important and there is trust in their capacity to produce positive outcomes. As one key Aspire stakeholder observed:

That was also an interesting thing for the staff to understand in the early days, that investors have bought into this one...they're actually taking a calculated punt on [service provider], on the management team, but more importantly, taking a punt on staff on the frontline who were the most critical.

Reporting back to investors under a SIB structure tends to be more demanding than acquitting government grant funding, which highlights service providers' broader accountability to the community. The evaluation found that this sense of broader accountability influenced Aspire frontline staff most in the early stages of the program, with the effect fading over time as staff became more focussed on outcomes for their individual clients. At management level, however, the service provider remained highly focussed on its accountability to multiple stakeholders, including investors. The SIB led the service provider to think about its work and how to value it in different ways, and this extended beyond Aspire to other areas of service delivery and the systems and structures supporting such service delivery (investing in data systems and data analytics capabilities, and thinking about program outcomes, as examples).

## 5.2 | Resourcing for innovative and flexible service delivery

Key stakeholders in the evaluation reported that Aspire was explicitly conceived as an opportunity to respond to homelessness differently, and better. Drawing on learnings from interstate and particularly overseas—deliberately resourced stages in the design and development of the program—the Aspire model envisaged case management that was more intensive and whole of life focussed, of longer duration than conventional SHS case management (3 years rather than 6 weeks to 3 months of support in most cases), and tailored to the needs of individuals. This triple focus within the program would enable it to address the needs of participants with complex life circumstances effectively and ensure they remained supported until their tenancies were secure, reducing the risk that they would fall back into homelessness.

The evaluation found that the longer, more flexible and more intensive Aspire case management approach enabled by the SIB is critical to the success of the program. Case managers are able to exercise more discretion in relation to the supports they provide to participants than under conventional SHS funding. Aspire participants interviewed for the evaluation talked about how much they valued Aspire's responsiveness to their needs. Typical comments from program participants included:

The help I did seek out [before Aspire], it was like they were going through the motions, doing what they had to do...it was never about me.  
(Wayne, Aspire participant)

What I needed, that's what they would try and help me with. They wouldn't say “okay, you've gotta do this, this, this and this ”...don't tell me what to do. But they would say “how can we best help you?” and that was great.  
(Chris, Aspire participant)

The broader innovation underpinning the Aspire SIB was a culture shift for government, the service provider and the broader housing and homelessness sector. This culture shift involved increased emphasis on measuring outcomes, building an evidence base to inform service delivery and program design, and transcending divides between agencies and sectors to produce transformative systemic change.

### 5.3 | Making collaboration imperative

The evaluation found that the strong relationships underpinning Aspire are a key element of its success. By Year 4 of the program, the key players—the service provider, the intermediary and the SA Government commissioners—had been working together closely for 7 years and had built a robust collaboration characterised by commitment, communication and trust. While there are many examples of governments and the not-for-profit sector working together to deliver social outcomes, SIBs are set apart in that they also involve private sector actors in the form of investors (and the intermediary, while a not-for-profit entity, has deep links with investors).

It was evident in the evaluation that all Aspire stakeholders, including investors, have a shared vision around responding to homelessness differently and more effectively, with a focus on accountability and outcome measurement. Such shared vision acts as a solid foundation for Aspire and a “glue” that binds the stakeholders together, overcoming differences in their interests. The Aspire SIB is an example of a SIB, which effectively aligns the interests of multiple players and promotes new forms of solidarity, cutting across sectors. That the shared vision was developed and pursued without an obvious lead or coordinating organisation speaks to the commitment and goodwill of the key players, and their recognition that working together is the only way they will achieve their goals.

Comments from stakeholders interviewed for the evaluation revealed their mutual respect and the strength of the collaborative culture in place. The service provider was described by partners as “a passionate organisation with deep expertise.” Government commissioners were seen as “deeply interested in the human side of the program and what it can do right from the beginning.” The intermediary was described as “fantastic to work with, very thoughtful, they understood where we were coming from as a government.”

Aspire's relationships more broadly are also generally robust, though with some exceptions. The data sharing arrangements put in place across multiple government agencies, discussed further below, are a stand-out success in relation to Aspire's partnerships outside the inner circle of key players. Aspire was conceptualised as a program that would deliver benefits and cost savings for several government agencies, including SA Health, the SA Housing Authority, the SA Police, the Courts Administration Authority and the Department for Correctional Services. Reflecting this, the lead government agency is the SA Department of Treasury and Finance (DTF) rather than a line agency and, unusually, cross-departmental funding arrangements are in place. The evaluation found that DTF, with the support of key managers in other departments, has been highly effective at building a sense of shared ownership of Aspire across the departments involved, and engagement levels have been high.

The SA Government is relatively small and cohesive, which may make collaboration between departments more manageable, but the commitment and effort required from all involved should not be underestimated. DTF has also established structures and processes, including the aforementioned cross-departmental working group (the Aspire Joint Working Group), to support the Aspire collaboration. As with the tighter circle of key players, a shared vision has been instrumental in driving the broader collaborative effort. Aspire was built on a recognition that complex social problems are not bounded by administrative divides and cannot be effectively addressed by single agencies operating in isolation: Some problems “don't line up

neatly within one agency portfolio,” in the words of one government stakeholder. Another observed:

People aren't in silos, a homeless person does touch every system, so if everybody can chip in a bit and pay for something that helps support them, then everybody benefits...this really does call out the fact that the benefits do arise across the system.

Evidence from the Aspire evaluation suggested that influential champions, such as key government ministers, play a vital role in marshalling initial support for cross-departmental activities, especially when budgetary concessions are required. Broad commitment to the joint effort needs to be built and sustained over the long lead time required to develop a SIB. The existence of a shared vision once again becomes critical here, as one stakeholder noted:

It is pretty important to have a mandate and a clear understanding across government about what you're doing, why you're doing it, why you're financing it in this way...it is critically important to ensure there's that meeting of minds.

The Aspire evaluation found some evidence that the collaborative culture has not percolated down to frontline staff in departments such as SA Health or Correctional Services as effectively as might have been hoped. Similarly, Aspire frontline staff are largely focussed on their immediate priorities—the crises clients face and how to navigate them—with seemingly limited reflection on how those activities contribute to a broader collaborative effort, that is as important pieces in a puzzle that collectively can and do drive systems to be more responsive and person-centred (see further discussion below).

The evaluation found that there is a particularly strong relationship between Aspire and the SA Housing Authority, which was described as “coming to the rescue” by providing a pipeline of public housing properties for Aspire participants. Rescue was necessary because relationships between Aspire and community housing providers have been less robust, leading to some disappointment in the levels of housing supply accessible through this channel. Some Aspire participants waited a long period of time for housing; the median wait time at the evaluation point was 109 days, but some participants had waited much longer. Issues around referrals from hospitals and prisons also contributed to some frustration among participants and program staff, with the evaluation finding that there are opportunities for streamlining and improved information sharing here.

Notwithstanding strong referral pathways from SHS providers, Aspire was initially viewed with some suspicion from within the homelessness service sector. Not only was SIB financing unfamiliar to people, Aspire also represented a different way of doing service delivery. As one stakeholder observed “This was a confronting program for the sector, because this was about change.” Even at the time of evaluation, Aspire was not as well-integrated within the (evolving) SA SHS landscape as it could be. Key stakeholders interviewed for the evaluation noted that it was perceived as “a program outside of the sector”; “that other thing that's gone on over there”; and “quite isolated and by itself and sort of exclusive.” Raising Aspire's visibility, communicating the value of the model and articulating the program's place in the broader landscape could help promote stronger collaborative relationships across the not-for-profit sector. One stakeholder noted “we probably should have shouted from the rooftops a lot more.” The wealth of data now available on Aspire's effectiveness, as a result of outcome measurement associated with the SIB and the evaluation, will make it easier to share the Aspire story.

## 5.4 | Focussing on outcomes

The SIB demands a focus on outcomes and broader impact, rather than the client throughput and churn that generally drives mainstream SHS funding in the Australian system. Aspire participants themselves noted this difference, with one commenting “some places are more geared to getting people in the door and out the door for funding, they just want to get you in there and then get you out.” Stepping back and asking what service delivery has really achieved, and whether it will be sustainable, is a significantly different approach for SHS in SA.

The Aspire SIB experience has significantly enhanced the outcomes and data focus of the government commissioners and the service provider in ways that are not restricted to the Aspire program but have broader effects. For the government commissioners, building evidence on effective responses to a “wicked problem”—chronic homelessness—was a key motivation for the SIB initiative, while promoting a broader shift toward an outcomes and data focus across government commissioning and human service delivery was also important. The commissioners wanted to learn more about how to maximise the impact of government spending, especially on higher cost programs. As one government stakeholder noted:

Really for us it's about understanding, building really strong data and having the evidence about what works and what doesn't work because we all know that there's limited amounts of public funding that are available for these types of interventions. More than ever before we need to be assured that government investment is being focused on things which really do make the best impact. When we have a focus on paying for outcomes as opposed to paying for services, it really helps us to build a social licence for how we invest in programs that might be higher cost than would otherwise be the case.

The evaluation found that like the focus on broader accountability, the frontline staff focus on SIB-driven outcomes became diluted over time, though it remains strong at management level. In Year 4 of Aspire, frontline staff were still outcome-oriented but were most interested in what they were delivering for individual clients, rather than how they were meeting SIB performance metrics. The two views here are complementary; the evaluation found that across all the key Aspire stakeholders, including investors, the priority was working toward the best outcomes for individual program participants. There was no sense that the SIB performance metrics were, or should be, driving program delivery in any way. The SIB metrics were seen as proxies for Aspire's broader impact: clear, measurable targets that provided a reasonable basis for calculating investor returns but were not intended to capture Aspire's full impact.

While it is not necessarily problematic if the SIB performance metrics have limited impact on the day-to-day practice of client-facing program staff, and the findings in this area for Aspire align with those of the London Homelessness SIB evaluation (Mason et al., 2017), there is perhaps a missed opportunity for frontline staff to be more engaged in the holistic view inherent in the SIB structure. Such an opportunity relates specifically to their ability to recognise and embrace their role in driving system-level change. There are also ways that awareness of performance against the SIB metrics could inform continuous program improvement. The outcomes frontline staff observe every day in working with individual clients are vital, but so too are the broader, higher level indicators of program impact. The findings of the Aspire evaluation suggest that while SIBs have significant potential to drive an increased focus on evidence-informed decision making and outcomes by service providers, this does not necessarily happen in a sustainable way across both strategic and operational levels in organisations, including in terms of continuous program improvement. Accordingly, attention needs to be paid to ensuring frontline staff are part of overall program vision, and in two related ways.

First, ensuring frontline staff are actively engaging in data-informed monitoring and improvement activities to evolve service delivery to meet the needs of clients and improve their lives. Second, ensuring workers are thinking about how program learnings can and should shape the systems of social support in which workers operate. Best impacts here will come from all stakeholders—program management, frontline staff, people with lived experience, investors and other SIB supporters, understanding and championing the multi-layered achievements of programs collectively.

## 5.5 | Improving data capacity

SIB frameworks mean governments and service providers need to become more focussed not just on outcomes but also on the *measurement* of outcomes: SIBs generally require governments and service providers to be more data-driven than is usual under conventional funding arrangements. In the case of Aspire, the data required for reporting on the SIB performance metrics are drawn from linked SA Government administrative datasets. The investor reporting for Aspire goes beyond the SIB metrics, drawing on program data collected by the service provider. The evaluation also drew on the linked administrative and program datasets to report against a wider range of indicators than the SIB metrics.

A key pillar of the Aspire collaboration is the data sharing protocols put in place across multiple SA Government departments, enabling the use of the administrative datasets required for the SIB reporting. With consent from Aspire participants, data on their service usage pre-Aspire and after program entry are drawn from SA Health, SA Housing Authority and the Courts Administration Authority. The existence of data linkage infrastructure in the form of SA NT Datalink (NT being the Northern Territory) is critical to bringing administrative data together from different sources, connecting it through the use of a unique linkage key for each individual, and presenting it in deidentified form.

The central use of deidentified administrative data in the Aspire SIB, rather than simply program-level data, is relatively unusual but adds a high degree of validity and reliability to observations about the program and its impact. Drawing on administrative data from multiple sources is particularly ambitious, with a government stakeholder observing:

Once we were down the track, it became clear to us that this was the first social impact bond in Australia that had actually used data from different government sources, I think up until then all of them had just been using data from one key government source.

Stakeholders interviewed for the evaluation reported that the data sharing experience was largely positive due to the commitment of all involved, but it did prove to be “far more complex than any of us realised,” as one stakeholder noted. Considerable work has been required to address issues such as new systems coming online part way through Aspire, changes in what agencies were counting and how (including definitional issues), lack of timely data entry, gaps in the data and poor quality data. Additionally, different agencies have different levels of capacity for data collection and analytics. The opportunity to develop this capacity in a supported way, and to identify opportunities for improving systems and data quality, has been a key benefit of being involved in the Aspire collaboration for some agencies.

The data linkage infrastructure (including systems capability, data governance and management, and technical expertise) around Aspire was invaluable for supporting outcomes measurement in the context of the SIB and would also be beneficial in other outcome measurement contexts. Promoting the development of data linkage infrastructure, including to facilitate data sharing between federal and state governments, is essential to building capacity for rigorous

outcome measurement. Such common infrastructure requires multi-agency investment as part of a long-game, with shared benefits realised over time. There is a case for such investment: Recent modelling suggests that for every \$1 invested in data linkage infrastructure, returns of up to \$16 are produced (Lateral Economics, 2021).

Data sharing raises ethical and privacy considerations, which took some time to work through in the case of Aspire. Stakeholders interviewed for the evaluation were of the view that existing human ethics processes have not kept pace with the evolving potential for sharing of large-scale datasets for multiple purposes. One stakeholder reported in relation to the Aspire ethics approval process:

We were using raw data, linked and deidentified administrative data, in ways that hadn't been utilised before...I think it's fair to say they really struggled with this as a concept in terms of how to assess it.

Parties to data sharing arrangements must be proactive about ensuring appropriate consent, and data management processes are in place to address ethical and privacy issues. Aspire has not experienced any problems in this regard, but the issues were taken seriously, as one stakeholder noted:

We want to be able to demonstrate that what we've done is best practice, and recognised and accepted, and indeed legitimate, as a way of using government data for this purpose...we didn't actually have an existing mechanism in SA that was fit for purpose to do that so we had to create one.

A key learning from Aspire is that data sharing brings many benefits, but the challenges should not be underestimated. If they do not already exist, systems, policies, processes and structures need to be put in place to support data sharing. As one stakeholder observed:

Just as much as social impact investing does the heavy lifting around wicked problems, in my experience we've also done some heavy lifting around the measurement piece...one of the things that I certainly learned through this is that working with data is not a set and forget prospect, it requires continual management, and part of that management is also maintaining the resources that support the delivery.

There are significant costs associated with improving capacity for outcomes measurement, along with the other transaction costs of SIBs. Government commissioners for the Aspire SIB acknowledged that transaction costs had been considerable but viewed them as worthwhile for the sake of trying out a new approach to a seemingly intractable problem, and for the broader learnings and capacity-building benefits of the SIB experience. One comment from a government stakeholder was typical of the way those involved in the Aspire SIB tackled the challenges involved:

It might be new and innovative but it's all eminently doable. Evidently it can be done and it's not rocket science to do it either. The secret sauce at least on the back-end side within government is transparency, accountability, clear communication. That actually just boils down to, in terms of the mechanics of making it happen, finding a safe way to share spreadsheets!

The Aspire evaluation identified some differing views—between government commissioners, service providers and particularly frontline staff—around which data and indicators are important. Staff working directly with clients tend to place greater emphasis on

individual over aggregate indicators, and on qualitative over quantitative data. For front-line staff, the observed needs and responses of individuals are what matter most to getting service delivery right, while government commissioners, intermediaries and investors are generally more interested in higher level aggregate measures that serve as clear, quantifiable indicators of broader social impact. Data come in many forms and are used for different purposes by different actors in a service delivery context; there is no one-size-fits-all approach to outcome measurement or data-informed service delivery. In other words, what is best practice for assessing SIB investor payments may not be best practice for working with individual service users. This is not to imply that there is an irreconcilable difference between these views or datasets, but the complementarity of, and need for, multiple forms of data should not be underestimated.

## 5.6 | Capturing broader learnings

SIBs leave behind a legacy, even when they are unsuccessful. Through the provision of risk capital, SIB financing allows governments and service providers to try something different that would otherwise be likely to remain untested. Even if the new approach does not work well, that knowledge is an important addition to the evidence base informing future human service delivery. The intermediary involved in the Aspire SIB is deeply committed to transparency around SIB outcomes, good and bad, and ensuring that learnings from pilot interventions are captured and made publicly available.

Attention needs to be paid to reflecting on SIB learnings and sharing them widely to ensure the full benefits are realised. A stakeholder representing the Aspire intermediary commented on this as follows:

They need to think deeply about what they're trying to do in the first place and that's been the gap. If you're going to do an outcomes contract, and they're hard, what's the purpose? ...There are lots of learnings and it's now how do we digest that and actually think about what we should do next? There is something about the R&D [research and development] and the capability development in an outcomes contract which is quite precious and is at risk of being lost.

The key areas of learning and development from the Aspire SIB, with benefits for government and service provider activities beyond Aspire, have been the following:

- A greater focus on outcomes and broader impact than is historically seen in human service delivery.
- Improved capacity and frameworks for using data, including data linkage, to measure and report on outcomes and inform service delivery improvements.
- Improved capacity and frameworks for outcome-based commissioning.
- Contribution to an evidence base on what works in relation to improving outcomes for people experiencing chronic homelessness.
- Contribution to the evidence base on the cost of social issues and where savings accrue due to interventions.
- Stronger collaborative relationships between the government, not-for-profit and private sectors, and between government agencies.

The SA Government has already put learnings from Aspire to good use in subsequent contracting activities, including establishing another SIB and other outcome-based contracts. A government stakeholder reported:

The knowledge that we gained through Aspire is very helpful to us in terms of negotiating those...we were a lot more savvy in terms of the things we needed to look out for, risks and how we manage those risks.

The learnings described above are possible in contexts other than SIB frameworks, but SIBs provide a useful scaffold for building knowledge and capacity. The SIB framework makes it more likely meaningful learnings will be systematically captured, leveraged and disseminated. The Aspire evaluation found a consensus among stakeholders that the Aspire SIB has promoted a necessary cultural shift toward collaborative partnerships, focussing on broad accountability, achieving measurable outcomes, sharing learnings and building an evidence base on what works in human service delivery. This shift has the potential to transform the way the government, not-for-profit and private sectors work together to improve outcomes at the individual and broader societal levels.

## 6 | CONCLUSION

SIBs are not the silver bullet that will fix every challenging social problem. Nor do they relieve governments of responsibility for funding social programs. As one government stakeholder explained:

Sometimes, especially in the early days, some of the service providers thought about social impact bonds as rivers of gold, they just saw dollars coming in, but of course it all has to be paid for at some point. If investors are receiving returns, they have to come from somewhere...it's not increasing the total bucket of funding.

It is also vital to note that SIBs are only suitable financing mechanisms under certain conditions: programs of sufficient scale with clear, quantifiable measures of success. Again, the government commissioners of the Aspire SIB were realistic about the limits of this method of financing service delivery:

Some people think about social impact investment as the answer to all of our problems in service delivery, and all wicked problems. I don't really think that's the case, I think there is complexity in the transaction and there are costs. I don't think it's a panacea for all problems...it's probably always going to be limited to these really big wicked problems, not just complex but expensive problems for government, and ones where we just don't seem to have been able to find an answer.

Notwithstanding these limitations, the Aspire SIB demonstrates that, under the right conditions, and targeting the right problem, SIBs can make a valuable contribution to human service delivery, with benefits for governments, the not-for-profit sector, individual service beneficiaries and society more broadly. The Aspire SIB had a long gestation period and has required substantial investment from government and the service provider, notably in developing enhanced data capacity and processes and structures to support rigorous outcome measurement. The evaluation of the SIB found that this investment has paid off in manifold ways, producing substantial benefits for individuals, downstream cost savings for government, enhanced capacity for data-informed service improvement and outcomes measurement, and strong collaborative relationships across sectors and between government agencies. The capacity improvements and learnings from the Aspire SIB (e.g. driving service delivery reform, introducing new funding mechanisms and, especially, proving the worth of outcome-oriented human service delivery) can be extrapolated to other service provision contexts, delivering broader benefits across the government and



not-for-profit sectors. The Aspire SIB illustrates what SIB financing frameworks can achieve at their best, providing an important and empirically based counterpoint to theoretical critiques of SIBs, while also adding to the growing evidence base around the opportunities and limits to such hybrid funding mechanism in the human services (and other landscapes).

## AUTHOR CONTRIBUTIONS

**Veronica Coram:** Investigation; methodology; formal analysis; project administration; data curation; writing – original draft. **Selina Tually:** Supervision; methodology; conceptualization; investigation; writing – review and editing; funding acquisition; formal analysis; project administration; data curation; writing – original draft. **Leanne Lester:** Validation; methodology; writing – review and editing; formal analysis; supervision; investigation; project administration. **Michael Kyron:** Validation; methodology; investigation; formal analysis; data curation; writing – review and editing. **Paul Flatau:** Funding acquisition; conceptualization; writing – review and editing; data curation; supervision; investigation; methodology; validation; formal analysis; resources. **Ian Goodwin-Smith:** Writing – review and editing; methodology; conceptualization; funding acquisition; investigation; supervision; project administration; resources.

## ACKNOWLEDGEMENTS

The authors acknowledge and thank the Aspire staff, program participants and key stakeholders who shared their experiences with the Aspire program. We are grateful to the SA Department of Treasury and Finance for funding the evaluation on which this paper is based, and, who along with Social Ventures Australia and the Hutt Street Centre assisted with the evaluation. We would also like to express our gratitude to the (multi-agency) Aspire Evaluation Joint Working Group and the custodians of relevant data from across multiple SA Government agencies who worked with the Aspire team and the evaluation team. These agencies include SA Health, the SA Housing Authority and the SA Courts Administration Authority. In particular, the data linkage services that made outcomes measurement in Aspire possible were provided through SA NT Data-Link.

## CONFLICT OF INTEREST STATEMENT

The authors have no conflicts of interest to declare.

## ORCID

Selina Tually  <https://orcid.org/0000-0002-5319-7105>

## REFERENCES

- AHURI. (2020) *What are social impact bonds and how do they work?* AHURI Brief. Melbourne: Australian Housing and Urban Research Institute. Available from: <https://www.ahuri.edu.au/research/brief/what-are-social-impact-bonds-and-how-do-they-work> [Accessed 27th October 2021].
- Andreu, M. (2018) A responsibility to profit? Social impact bonds as a form of ‘humanitarian finance’. *New Political Science*, 40(4), 708–726. Available from: <https://doi.org/10.1080/07393148.2018.1528533>
- Australian Alliance to End Homelessness. (2023) *Local communities*. Available from: <https://aaeh.org.au/local-communities> [Accessed 6th December 2023].
- Berndt, C. & Wirth, M. (2019) Struggling for the moral market: economic knowledge, diverse markets, and market borders. *Economic Geography*, 95(3), 288–309.
- Brackertz, N., Fotheringham, M. & Winter, I. (2016) *Effectiveness of the homelessness service system*, AHURI Research Paper. Melbourne: Australian Housing and Urban Research Institute Limited. Available from: <https://www.ahuri.edu.au/research/research-papers/effectiveness-of-the-homelessness-servicesystem>
- Broccardo, E., Mazzuca, M. & Frigotto, M.L. (2020) Social impact bonds: The evolution of research and a review of the academic literature. *Corporate Social Responsibility and Environmental Management*, 27(3), 1316–1332. Available from: <https://doi.org/10.1002/csr.1886>
- Broom, J. (2021) Social impact bonds and fast policy: analyzing the Australian experience. *Environment and Planning A: Economy and Space*, 53(1), 113–130. Available from: <https://doi.org/10.1177/0308518X20941522>
- Cooper, C., Graham, C. & Himick, D. (2016) Social impact bonds: the securitization of the homeless. *Accounting, Organizations and Society*, 55, 63–82. Available from: <https://doi.org/10.1016/j.aos.2016.10.003>

- Coram, V., Lester, L., Tually, S., Kyron, M., McKinley, K., Flatau, P. et al. (2022) *Evaluation of the Aspire Social Impact Bond*. Final Report. Adelaide and Perth: Centre for Social Impact, Flinders University and Centre for Social Impact, University of Western Australia. Available from: <https://doi.org/10.25916/202z-ey67>
- Dixon, R. (2021) Performance management in social impact bonds: how an outcomes-based approach shapes hybrid partnerships. *International Journal of Public Sector Management*, 34(3), 356–376. Available from: <https://doi.org/10.1108/IJPSM-03-2020-0070>
- Dobrovic, J., Boddy, J. & O'Leary, P. (2022) Social impact bonds and homelessness: A review of the literature. *Australian Social Work*, 2023, 22–34. Available from: <https://doi.org/10.1080/0312407X.2022.2104654>
- Lateral Economics. (2021) *National Collaborative Research Infrastructure (NCRIS) spending and economic growth*. Available from: <https://www.phrn.org.au/media/82231/ncris-stimulus-report-updated-final-31-august-2021-002.pdf> [Accessed 30th April 2022].
- Edmiston, D. & Nicholls, A. (2018) Social impact bonds: the role of private capital in outcome-based commissioning. *Journal of Social Policy*, 47(1), 57–76. Available from: <https://doi.org/10.1017/S0047279417000125>
- Fitzgerald, C., Fraser, A. & Kimmitt, J. (2020) Tackling the big questions in social impact bond research through comparative approaches. *Journal of Comparative Policy Analysis: Research and Practice*, 22(2), 85–99. Available from: <https://doi.org/10.1080/13876988.2020.1726177>
- Flatau, P., Lester, L., Seivwright, A., Teal, R., Dobrovic, J., Vallesi, S. et al. (2021) *Ending homelessness in Australia: An evidence and policy deep dive*. Perth: Centre for Social Impact, The University of Western Australia and the University of New South Wales. Available from: <https://www.csi.edu.au/research/project/building-back-better-deep-dives/> [Accessed 4th March 2022].
- Flatau, P., Zaretsky, K., Crane, E., Carson, G., Steen, A., Thielking, M. et al. (2020) The drivers of high health and justice costs among a cohort of young homeless people in Australia. *Housing Studies*, 35(4), 648–678. Available from: <https://doi.org/10.1080/02673037.2019.1626352>
- Fraser, A., Tan, S., Lagarde, M. & Mays, N. (2018) Narratives of promise, narratives of caution: a review of the literature on social impact bonds. *Social Policy and Administration*, 52(1), 4–28.
- French, M., Kimmitt, J., Wilson, R., Jamieson, D. & Lowe, T. (2023) Social impact bonds and public service reform: back to the future of new public management? *International Public Management Journal*, 26(3), 376–395. Available from: <https://doi.org/10.1080/10967494.2022.2050859>
- George, T., Rogers, J. & Roberts, A. (2020) Social impact bonds in the UK homeless sector: perspectives of front-line link workers. *Housing, Care and Support*, 23(3/4), 123–134.
- Guter-Sandu, A. (2021) The governance of social risks: nurturing social solidarity through social impact bonds? *New Political Economy*, 26(6), 1062–1077. Available from: <https://doi.org/10.1080/13563467.2021.1899151>
- Heinrich, C.J. & Kabourek, S.E. (2019) Pay-for-Success development in the United States: Feasible or failing to launch? *Public Administration Review*, 79(6), 867–879. Available from: <https://doi.org/10.1111/puar.13099>
- Hevenstone, D., Fraser, A., Hobi, L., Przepiorka, W. & Geuke, G.M. (2023) The impact of social impact bond financing. *Public Administration Review*, 83(4), 930–946. Available from: <https://doi.org/10.1111/puar.13631>
- Larimer, M.E., Malone, D.K., Garner, M.D., Atkins, D.C., Burlingham, B., Lonczak, H.S. et al. (2009) Health care and public service use and costs before and after provision of housing for chronically homeless persons with severe alcohol problems. *JAMA*, 301(13), 1349–1357.
- Laruffa, F. (2021) Promoting social goals through economisation? Social investment and the counterintuitive case of homelessness. *Policy and Politics*, 49(3), 413–431.
- Maier, F. & Meyer, M. (2017) Social impact bonds and the perils of aligned interests. *Administrative Sciences*, 7(3), 1–10.
- Mason, P., Lloyd, R. & Nash, F. (2017) *Qualitative evaluation of the London Homelessness Social Impact Bond (SIB) final report*. London: Department for Communities and Local Government. Available from: <https://www.gov.uk/dclg> [Accessed 6th January 2021].
- McHugh, N., Sinclair, S., Roy, M., Huckfield, L. & Donaldson, C. (2013) Social impact bonds: a wolf in sheep's clothing? *The Journal of Poverty and Social Justice*, 21(3), 247–257.
- Muir, K., Michaux, F., Sharam, A., Flatau, P., Meltzer, A., Moran, M. et al. (2018) *Inquiry into social impact investment for housing and homelessness outcomes*, AHURI Final Report No. 299. Melbourne: Australian Housing and Urban Research Institute Limited. Available from: <http://www.ahuri.edu.au/research/final-reports/299>
- Pandey, S., Cordes, J.J., Pandey, S.K. & Winfrey, W.F. (2018) Use of social impact bonds to address social problems: understanding contractual risks and transaction costs. *Nonprofit Management & Leadership*, 28, 511–528.
- Parsell, C., Clarke, A. & Kuskoff, E. (2020) Understanding responses to homelessness during COVID-19: an examination of Australia. *Housing Studies*, 38(1), 8–21.
- Ritchie, J. & Spencer, L. (1994) Qualitative data analysis for applied policy research. In: Bryman, A. & Burgess, R.G. (Eds.) *Analysing qualitative data*. London: Routledge, pp. 173–194.
- Siewwright, A., Callis, Z., Thielking, M. & Flatau, P. (2020) *Chronic homelessness in Melbourne: third-year outcomes of Journey to Social Inclusion phase 2 study participants: findings from the Journey to Social Inclusion research*

- study*. Melbourne: Centre for Social Impact, University of Western Australia and School of Health Sciences, Swinburne University of Technology. Available from: <https://www.sacredheartmission.org/seek-help/housing-support/journey-to-social-inclusion-program> [Accessed 28th October 2021].
- Sinclair, S., McHugh, N. & Roy, M.J. (2021) Social innovation, financialisation and commodification: a critique of social impact bonds. *Journal of Economic Policy Reform*, 24(1), 11–27.
- Social Finance, U.K. (2016) *Social impact bonds: the early years*. London: Social Finance UK. Available from: <https://www.socialfinance.org.uk/resources/publications/social-impact-bonds-early-years> [Accessed 28th October 2021].
- Social Ventures Australia. (2021) *Aspire Social Impact Bond: annual investor report*. Available from: <https://www.socialventures.com.au/assets/Aspire-SIB-Annual-Investor-Report-2020-21.pdf> [Accessed 24th January 2022].
- Spencer, L., Ritchie, J., Ormston, R., O'Connor, W. & Barnard, M. (2014) Analysis: Principles and processes. In: Ritchie, J., Lewis, J., Nicholls, C.M. & Ormston, R. (Eds.) *Qualitative research practice: A guide for social science students and researchers*. London: Sage, pp. 270–279.
- Spinney, A., Beer, A., Mackenzie, D., McNelis, S., Meltzer, A., Muir, K. et al. (2020) *Ending homelessness in Australia: a redesigned homelessness service system*, AHURI Final Report No. 347. Melbourne: Australian Housing and Urban Research Institute. Available from: <https://www.ahuri.edu.au/research/final-reports/347>
- Tan, S., Fraser, A., McHugh, N. & Warner, M.E. (2021) Widening perspectives on social impact bonds. *Journal of Economic Policy Reform*, 24(1), 1–10. Available from: <https://doi.org/10.1080/17487870.2019.1568249>
- Tse, A.E. & Warner, M.E. (2020) A policy outcomes comparison: Does SIB market discipline narrow social rights? *Journal of Comparative Policy Analysis: Research and Practice*, 22(2), 134–152. Available from: <https://doi.org/10.1080/13876988.2019.1609789>
- Warner, M. (2013) Private finance for public goods: social impact bonds. *Journal of Economic Policy Reform*, 16(4), 303–319. Available from: <https://doi.org/10.1080/17487870.2013.835727>
- Wilson, R., Fraser, A., Kimmitt, J., Tan, S., McHugh, N., Lowe, T. et al. (2020) Theme: Futures in social investment? Learning from the emerging policy and practice of social impact bonds (SIBs). *Public Money & Management*, 40(3), 179–182. Available from: <https://doi.org/10.1080/09540962.2020.1714287>
- Wirth, M. (2021) Mobilizing affect, shaping market subjects: tracing the connections of neoliberalism and social finance in youth homelessness projects. *Environment and Planning A: Economy and Space*, 53(6), 1356–1372. Available from: <https://doi.org/10.1177/0308518X211009526>
- Wood, L., Flatau, P., Zaretsky, K., Foster, S., Vallesi, S. & Miscenko, D. (2016) *What are the health, social and economic benefits of providing public housing and support to formerly homeless people?* AHURI Final Report No. 265. Melbourne: Australian Housing and Urban Research Institute Limited. Available from: <https://www.ahuri.edu.au/research/final-reports/265>
- Zaretsky, K. & Flatau, P. (2013) *The cost of homelessness and the net benefit of homelessness programs: a national study*, AHURI Final Report No. 218. Melbourne: Australian Housing and Urban Research Institute Limited. Available from: <https://www.ahuri.edu.au/research/final-reports/218>

## AUTHOR BIOGRAPHIES

**Dr Veronica Coram** is a political scientist and researcher focussed on social policy and social inclusion. Veronica was the project officer for the Aspire Social Impact Bond evaluation.

**Associate Professor Selina Tually** is a Deputy Director with the Centre for Social Impact Flinders. She is a geographer, social researcher and evaluator with experience in housing, homelessness and community development research spanning 20+ years. Selina's expertise is co-designing and co-creating better programs, places and outcomes for disadvantaged and vulnerable people and communities. She is a passionate advocate for equity, inclusion and connectedness, centred on amplifying the voice of lived and living experience in systems and programs of support, and in research.

**Dr Leanne Lester** is an epidemiologist and biostatistician with over 25 years' experience in evaluation. She is the Research Manager at the Centre for Social Impact UWA. Leanne provides specialised research methodology, data collection, linkage and data analysis expertise for business, not-for-profits, school- and community-based research, education and advocacy. Leanne has been involved in evaluations focussed on mental, emotional, social and physical well-being outcomes. Leanne's current work involves evaluation of family and domestic violence and homelessness services, women's refuges, out-of-home care services and mental health initiatives.

**Dr Michael Kyron** is a psychologist who has primarily worked in the area of suicide risk assessment and prevention and has been focussed on the application of innovative methods to predict and prevent suicide, including the application of dynamic modelling, machine learning and wearable technology. He has extensive research, project design and evaluation experience with clinical and adolescent populations, and with ecological momentary assessment and large-scale longitudinal cohort research designs.

**Professor Paul Flatau** is the Director of the Centre for Social Impact UWA, and former Director of the Australian Housing and Urban Research Institute's WA Research Centre. Much of Paul's work in recent years has involved close contact with the not-for-profit sector, social enterprises, government partners, industry and philanthropists. Paul has made significant contributions to the analysis of social and economic outcomes, and social impact and the effectiveness of programs and interventions in Indigenous housing, poverty, unemployment, homelessness, housing and the assessment of social innovations.

**Professor Ian Goodwin-Smith** is the Matthew Flinders Professor of Social Impact and Director of the Centre for Social Impact Flinders at Flinders University. He is a researcher in the fields of social policy and social service with extensive experience in research and evaluation relating to social service improvement, system reform and social policy. Ian has experience in co-designing and administering large-scale research and evaluation projects in Australia and internationally, including across sectors and disciplines with a range of stakeholder groups.

**How to cite this article:** Coram, V., Tually, S., Lester, L., Kyron, M., Flatau, P. & Goodwin-Smith, I. (2024) The Aspire Social Impact Bond: How social impact bond financing can promote positive social and economic outcomes. *Australian Journal of Social Issues*, 00, 1–20. Available from: <https://doi.org/10.1002/ajs4.354>