



# Foyer Central Social Impact Bond

Annual Investor Report  
Period ending 30 September 2024  
Issued January 2025

# Contents

Foreword.....	3
Foyer Central SIB Overview .....	4
Foyer Central Program .....	4
SIB overview .....	5
Program update .....	7
Referrals .....	7
Enrolments.....	8
Engagement.....	9
Exits.....	11
Housing after Foyer Central .....	12
Participant profile.....	13
Program operations .....	15
Outcomes .....	17
Measurement adjustments.....	17
Successful Outcomes.....	17
Interim indicators.....	18
Performance Review .....	19
Financial Report.....	20
Interest Payment .....	20
Coupon Payment.....	20
Early termination .....	21



## Acknowledgement of Country

Social Ventures Australia acknowledges and pays respect to the past and present traditional custodians and elders of this country on which we work.

'After the Rains' by Richard Seden for Saltwater People, 2024.

# Foreword

Dear Investor,

Social Ventures Australia is pleased to present the third Foyer Central Social Impact Bond (**Foyer Central SIB**) Investor Report.

Over the first 3.5 years, Foyer Central has provided support and stable accommodation to 130 young people assessed as at risk of homelessness and who have a lived experience in out-of-home care. 79 participants have exited Foyer Central and commenced their 12-month Measurement Period, and 41 participants have completed this period.

Of the 41 young people who have completed their 12-month Measurement Period, 26 achieved a Successful Outcome (a 63% success rate). This success rate is in line with target and reflects the positive impact that Foyer Central is having.

However, due to lower than planned enrolments, the number of Successful Outcomes is well below target. As a result, the performance of the Program has been assessed as Performance Band 2. Enrolments were lower than planned due to low referral numbers during the Covid-19 pandemic and some young people staying at Foyer Central longer than anticipated. Several initiatives have already been implemented to improve enrolment numbers and ensure young people exit Foyer Central in line with planned timeframes.

Uniting NSW.ACT, St George Community Housing, the NSW Department for Communities and Justice, and Social Ventures Australia have commenced a Performance Review to further examine the reasons for the lower than expected performance and enrolments and agree on any changes to address these issues. A Performance Review may result in continuation of the Program as planned, modifications to the Program to address the lower than expected performance and/or enrolments, or if the parties are unable to reach agreement, termination of the Implementation Agreement. An update will be provided once the Performance Review and negotiations have concluded in the first half of 2025.

Over the past year, Uniting has continued to centre the voices of young people in decision-making, build the Foyer Central community, and strengthen external partnerships. Key highlights include the Youth Advisory Group shaping Foyer Central's practice, the growing community among young people, and the impact of partnerships with affordable housing providers on creating more options for young people looking for safe and suitable accommodation when they exit.

We trust that the stories and information shared in this report will provide useful insights into the Foyer Central journey to date.

Kind regards,



A handwritten signature in black ink, appearing to read 'K. Armstrong'.

**Kirsten Armstrong**  
Executive Director, Social Impact Initiatives, Social Ventures Australia



A handwritten signature in black ink, appearing to read 'P. Bollen'.

**Patrick Bollen**  
Associate Director, Impact Investing, Social Ventures Australia

# Foyer Central SIB Overview

The Foyer Central Social Impact Bond (**SIB**) funds the delivery of the Foyer Central Program (**the Program**), which is delivered by Uniting NSW.ACT (**Uniting**) and St George Community Housing (**SGCH**) in partnership with the New South Wales Department for Communities and Justice (**the Department**). The Commonwealth Government is supporting the Program through the provision of outcomes data and outcomes-linked funding to the Department. The Foyer Central SIB has a term of approximately 8.75 years and utilises \$7 million of investor capital.

## Foyer Central Program

Foyer Central was developed by Uniting and SGCH, drawing on their collective experience supporting vulnerable young people and providing social and affordable housing. The Program was developed in consultation with the Brotherhood of St Laurence, which delivers the Education First Youth Foyers in Victoria, and builds upon on the extensive Foyer evidence base created by the delivery of Foyer models around the world over the past thirty years.

The Foyer Central Program is centred on a purpose-built facility that comprises 53 studio-style units, located three kilometres from the Sydney central business district. Each unit has a kitchenette and private bathroom, and access to welcoming common areas. Foyer Central staff also have on-site office space.

The Foyer Central Program aims to build the capabilities of young people and their capacity to access resources and opportunities, and to make positive decisions so they can lead fulfilling lives and make a successful transition to independence – and ultimately break the cycle of homelessness. Foyer Central participants are expected to spend an average of 18 months (and up to two years) as a Foyer Central resident and will then be supported to transition to stable long term accommodation. Key elements of the Program are outlined in Table 1.

Table 1 Foyer Central elements

Element	Description
The 'Foyer Deal'	An agreement between a young person and Uniting whereby Uniting provides stable and safe accommodation and tailored support in return for the young person's engagement in training, education, and/or employment.
Stable accommodation	Each participant is provided with a studio apartment for up to two years and enters into a tenancy agreement with SGCH. Participants pay a low rent commensurate with their ability to contribute.
Tailored support services	Each participant has a dedicated Youth Development Coach who is responsible for providing strengths-based case management support, access to support services, and one-on-one coaching sessions.
Advantaged Thinking	The Program is grounded in the concept of 'Advantaged Thinking', which is focused on identifying, developing, and investing in the skills, capabilities, and assets of young people so that they can establish good lives for themselves.
Trauma informed care	Trauma informed care is woven into the Advantaged Thinking approach by recognising that young people's thought patterns, emotions, and actions can be coping strategies developed as a result of lifelong trauma. Consistent relationships and a safe and predictable environment provided by the Program supports young people to build resilience and empower them to rebalance their coping strategies.

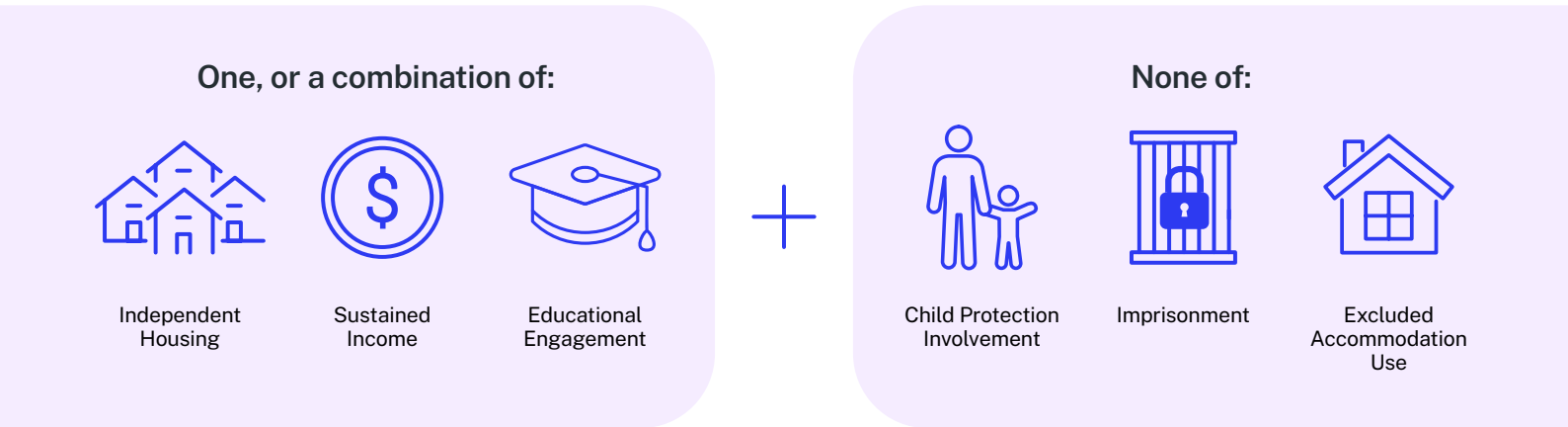
It was initially planned that around 272 young people would be supported by the Foyer Central Program. Each Enrolled individual will be aged 18 to 22 years, have been in out-of-home care (**OOHC**) and exited care aged 14 to 18 years, be homeless or at risk of homelessness, and be assessed by Uniting as motivated, willing, and able to commit to the Program.

# SIB overview

The Foyer Central SIB is underpinned by an outcomes-based contract between the Department and Uniting. Outcome payments will be made to Uniting by the Department based on the number of participants who achieve a Successful Outcome. A Successful Outcome means that a participant:

- recorded no Negative Indicators during their Foyer Central tenancy and Measurement Period;<sup>1</sup> and
- achieved a Positive Indicator (or a combination of Positive Indicators) for a period that equates to at least 18 fortnights during their Measurement Period.

Figure 1 Successful Outcome overview



To fund Program delivery prior to the receipt of outcomes-linked payments, Uniting borrowed \$7 million under a Loan Agreement with the Foyer Central SIB Trust,<sup>2</sup> which in turn raised capital from investors through the issue of Notes.

## Investor returns

Noteholders received a 2% per annum fixed Coupon Payment over the first three years of the bond and will receive variable Coupon Payments over the final six years that are determined by the Performance Band achieved. The Performance Band is determined by the number of Successful Outcomes. The proportion of principal repaid on maturity is also linked to the Performance Band achieved at that time.

Under the assumptions set out in the [Foyer Central SIB Information Memorandum](#) dated 23 December 2020, investor returns vary with the level of Program performance as illustrated in Table 2.

Table 2 Foyer Central SIB Noteholder returns under initial assumptions

Scenario	Under-perform	Well Below	Below Target	Slightly Below	Target	Slightly Above	Above Target	Well Above
Performance Band	1	2	3	4	5	6	7	8
Success rate (with 272 participants) <sup>3</sup>	40%	45%	50%	55%	60%	65%	70%	75%
Interest rate	0%	0%	1%	4%	6%	8%	10%	11%
Principal Returned	55%	65%	100%	100%	100%	100%	100%	100%
IRR (% per annum)	-5.8%	-4.0%	1.0%	4.0%	5.9%	7.8%	9.6%	10.4%

<sup>1</sup>The Measurement Period is the 12-month period commencing on the day an individual moves out of Foyer Central accommodation.

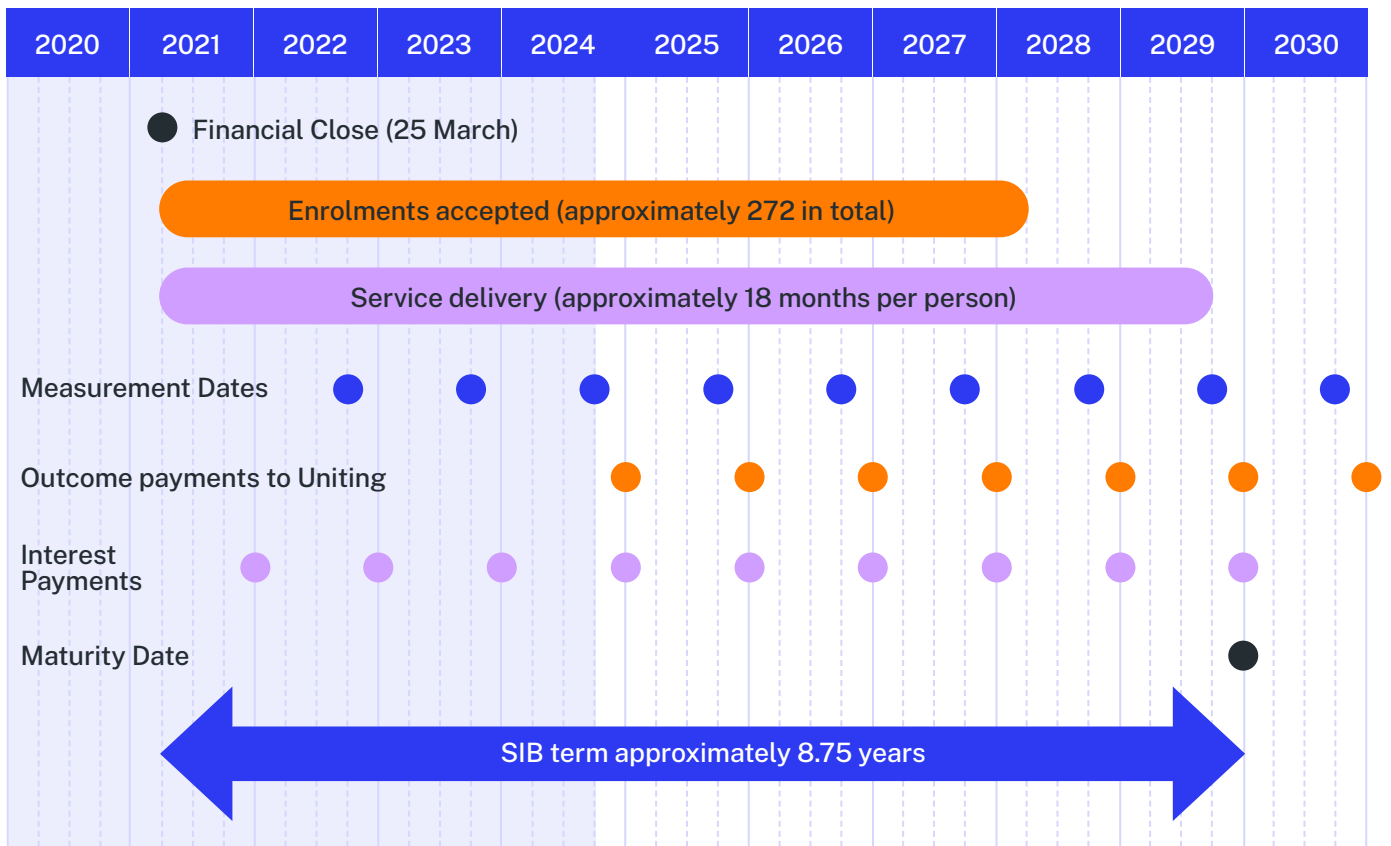
<sup>2</sup>The Foyer Central SIB Trust (being SVA Nominees Pty Ltd (ACN 616 235 753) as the trustee of the Foyer Central SIB Trust (ABN 24 304 856 506) is the issuer of the Foyer Central SIB and is managed by Social Ventures Australia Limited (ACN 100 487 572).

<sup>3</sup>The number of Successful Outcomes is determined by both the number of participants enrolled and the proportion of participants who have a Successful Outcome.



# Timeline

Figure 2 Foyer Central SIB timeline



Foyer Central's third birthday celebrations

# Program Update

## Referrals

Foyer Central continues to receive a high number of referrals for eligible young people. In Year 4 (the year ending 30 September 2024), 188 young people were referred to the Program, almost 20% higher than last year (157). Of the young people referred in Year 4, 74 were assessed as eligible and 37 were enrolled in the Program. This is a similar pattern to last year – around one in two eligible young people are enrolled. Enrolment depends on whether a place is available in one of Foyer Central’s 53 units, as well the eligible young person’s interest and suitability for the Program.

The average time it took from a young person’s expression of interest to enrolment in the Program was 22 days, which is the same as the average over the last three years.

78% of enrolled young people were referred to Foyer Central by non-government referral partners (including specialist homelessness services, community housing providers, after care services, and youth specific services). The remaining 22% were transitioning out of OOHc at the time of referral and were referred by the Department.

The Foyer Central leadership team raises awareness about Foyer Central by presenting regularly at Department meetings, non-government organisation forums, and inter-agency meetings across Greater Sydney. These presentations help strengthen relationships and understanding about Foyer Central. This has contributed to an increase in the number of referrals made by the Department, from 5% in the first year of the Program to 22% this year.



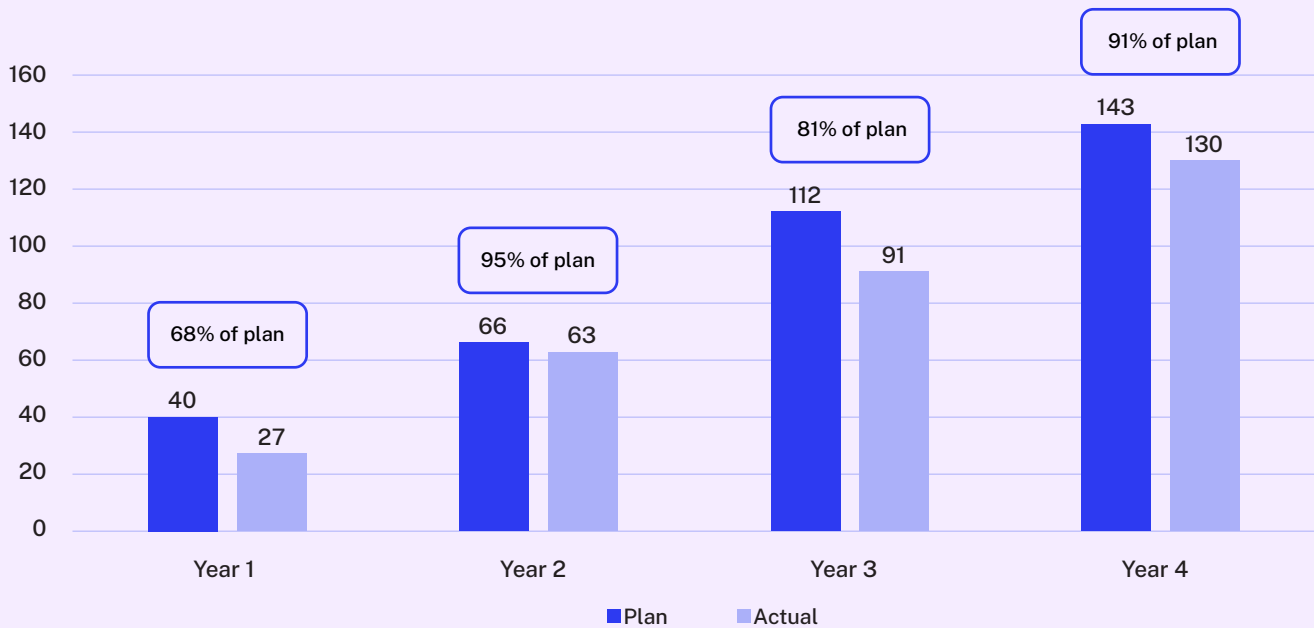
Young people at Foyer Central



# Enrolments

At the end of Year 4, **130 young people have been enrolled in the Program** and moved into Foyer Central, which is 91% of planned (143). This is an improvement on last year (81% of planned), as illustrated by Figure 3.

Figure 3 Cumulative enrolments



Enrolments are lower than planned due to two key reasons:

- **The ramp-up of enrolments was slower than expected in the first year of the Program:** It was anticipated that Foyer Central would reach capacity by the end of 2021, but capacity was not actually reached until the quarter ending 30 June 2022. Enrolments were lower than planned because the Program received less referrals than anticipated during the Covid-19 lockdown. During this period, young people already in transitional or temporary accommodation had their stays extended, and advocates of young people were less willing or able to recommend a move to new accommodation in Sydney from other areas of New South Wales.
- **Fewer apartments becoming available in Foyer Central:** This is due to some young people staying at Foyer Central longer than anticipated, resulting in lower exits than planned (discussed in Exits).



The basketball court and mural at Foyer Central



## Craig's story – Working towards a brighter future<sup>4</sup>

Craig and his twin brother Mark arrived in Australia at age 14 with their father before both being placed in OOHC one year later. Craig has experienced challenges due to being separated from his family and culture. However, he is determined to build a brighter future and make the most of the opportunities that lay ahead of him.

Since moving to Foyer Central, Craig has participated in coaching sessions and activities. His hard work, motivation, and character led him to be promoted into a management role at work. He has built his savings and financial literacy by regularly reviewing his budget and spending habits. Craig has also started an online business to earn additional income. Craig and his brother Mark regularly send money to support their mother who now lives in Indonesia. Despite his challenges, Craig is committed to helping those he cares about.

Craig prioritises his health and wellbeing by going to the gym on most days and maintaining a healthy diet. He has also developed a passion for boxing. He wakes up every day with a deep motivation, clear plan, and open mind to what possibilities lay ahead of him. Underneath his jokes and friendly demeanour is a serious and determined young man with a kind and generous heart.

Craig will often mention how grateful he is to have been accepted into Foyer Central and what it means for his life. He says, "Foyer has offered me a safe and stable environment where I can take time to build the skills and knowledge that will help me achieve my dreams". He also says that he feels part of a community that cares about him and his future.

## Engagement

Participants have access to a broad range of support services during their time at Foyer Central, including health, employment, education, living skills, housing, and social connection. Engagement in these support services is led by each individual young person and varies between young people based on their progress towards their goals. Many young people engage with support services more frequently at the start of their tenancy and engage less as they build independence.

In Year 4, young people engaged with these support services for an average of two hours per week. This is lower than last year's average (3.2 hours), in part reflecting Uniting's commitment to supporting young people to find employment early. This focus both builds independence, which reduces the need for support services, and motivates young people to prioritise which support services they would like to engage with given longer hours spent working.



Foyer Central team members with the Ursuline Community

<sup>4</sup>Participants have agreed to share their story, and their names have been changed to protect their privacy.



Foyer Central participants with the Lord Mayor of Sydney, Clover Moore

### Paul's story – Day-to-day resilience<sup>5</sup>

Paul has faced many challenges including deep personal losses, battles with addiction, financial difficulties, and legal obstacles. In recent years, he has struggled with alcohol as a way of coping with complex post-traumatic stress disorder (PTSD). Paul has had many struggles, but they do not define him. He is defined by his decision to keep moving forward, to show up for himself and others, and to make his presence count in his community.

Paul's resilience shines through in his commitment to self-improvement, including through his academic pursuits, regular counselling sessions, and dedication to the Foyer Central community. Paul is working toward a TAFE qualification in Surveying. There are days when making it to class feels like an achievement, but Paul's pursuit is about more than just academics. It is about creating a future where he is defined by his perseverance and growth, not by his struggles. His attendance is not perfect, but the effort that he makes to show up and learn despite everything pulling him in the opposite direction is inspiring.

Paul has taken a courageous step toward confronting his complex PTSD by starting regular sessions with an alcohol and other drugs counsellor. It is tremendously difficult for Paul to confront his past, but his commitment is unshakeable. Each session helps him face the memories and pain he once tried to drown out, allowing him to learn healthier coping mechanisms and regain control of his life.

Amidst his own personal battles, Paul has also found time and energy to give back to his community. As a resident at Foyer Central, he is committed to attending activities regularly, demonstrating a sense of responsibility and leadership. Paul actively participates and contributes to creating a supportive atmosphere for other residents.

Paul's story shows strength, perseverance, and the power of choosing to hope even when life feels impossibly hard. There is a quiet heroism in Paul's determination. His story is not about grand gestures or sudden transformations, but the day-to-day commitment to keep going. Paul's actions speak of a person who, against all odds, chooses to fight for a better life.

<sup>5</sup>Participants have agreed to share their story, and their names have been changed to protect their privacy.

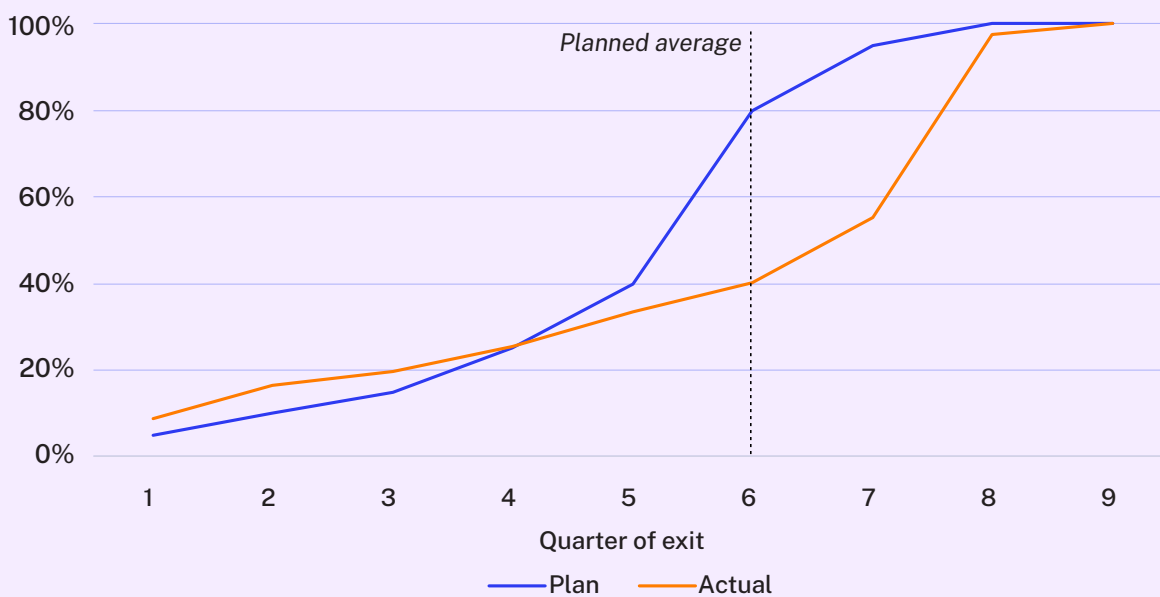
# Exits

Uniting works closely with young people to support their exit and transition to independence. The exit planning process commences at least six months prior to a young person's planned exit, which includes identifying and planning for safe and suitable accommodation arrangements upon exit. Depending on the young person's circumstances, this may include a private rental, social housing, affordable housing, or staying with family or friends.

At the end of Year 4, **79 young people had exited Foyer Central** and commenced their 12-month Measurement Period. This is below the number originally planned (95), which is due to some young people staying longer at Foyer Central than anticipated.

Figure 4 shows the proportion of participants who have exited at each quarter since their enrolment.

Figure 4 Proportion of participants who have exited by quarter after enrolment



It was anticipated that 80% of participants would exit within six quarters (18 months) of their enrolment. Based on the 79 participants who have exited to date, only 40% of exits have occurred within 18 months, with 2% of exits occurring after 24 months. This is slightly closer to plan compared to last year (37% and 6% respectively). The average length of stay has been 18 months compared to the planned 16 months.

The following factors have contributed to some young people staying longer at Foyer Central than anticipated:

- The expectation previously communicated to young people was they could stay at Foyer Central for two years (meaning more young people were likely to stay for two years)
- Some young people with more complex needs have required longer periods of time and support to be ready to leave Foyer Central and transition to independence
- Finding safe and suitable accommodation for young people ready to leave Foyer Central has been increasingly challenging

To increase the flow of young people through the Program (without exiting young people earlier than they are ready to), Foyer Central has:

- Formalised their processes for forecasting and tracking exits
- Set a clear expectation that young people can stay at Foyer Central for 18 months
- Continued to provide more intense support to young people with the greatest support needs, to ensure that they get the support that they need to be ready to transition to independence



- Implemented clear processes for coaches to develop a comprehensive transition plan with all young people in the 6-month period leading up to their planned exit date
- Partnered with affordable housing providers (discussed below)
- Focused on employment as a key goal for all young people, due to the importance of regular income to accessing stable housing

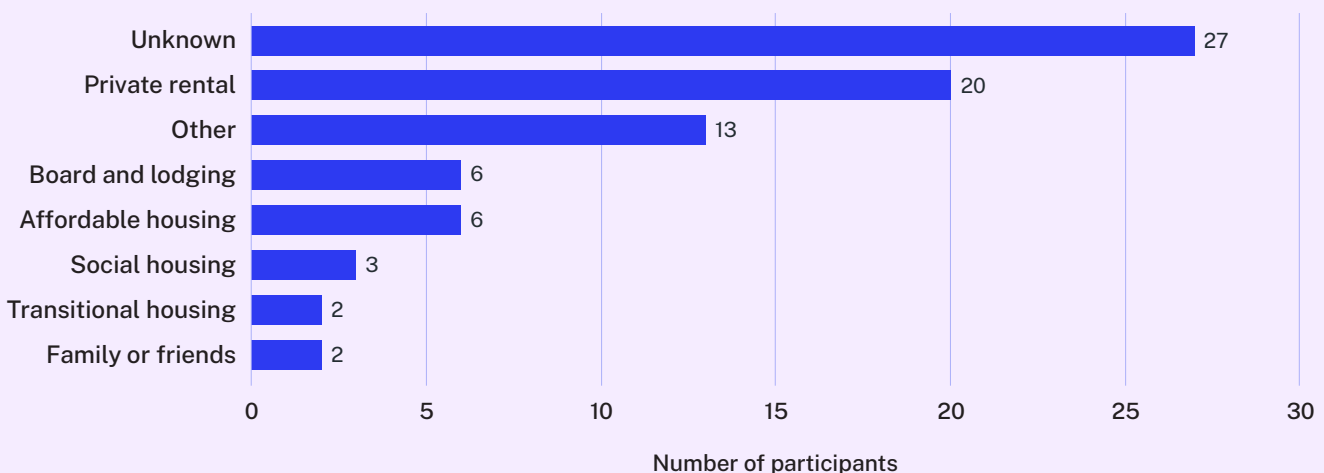
Enrolments and exits are closely monitored by the Foyer Central SIB Joint Working Group (JWG), which is the governance committee which oversees the performance of the program. It consists of representatives from Uniting, SGCH, Social Ventures Australia, the Department, and the Office of Social Impact Investment. The JWG has been meeting regularly since the inception of the Foyer Central SIB. The JWG will monitor exit rates and contribute to identifying opportunities to support young people who are ready to exit Foyer Central to move into safe and suitable accommodation, to complement the measures already implemented by Uniting.

## Housing after Foyer Central

Of the 79 young people that have exited the Program to date, 20 have moved into private rental properties. This is a significant achievement for these young people in the current rental market. Foyer Central has also supported young people to transition into a range of other stable housing options, including social housing, affordable housing, and moving in with family or friends.

Figure 5 shows the proportion of young people who have moved into different accommodation types after exiting the Program. The ‘Other’ accommodation type includes young people who have returned to country, moved interstate or overseas, and moved into disability or supported housing. The accommodation type that young people move into is unknown for 34% of participants. This is due to data linkage challenges and delays in updates to the data used to verify post Program accommodation for some young people.

Figure 5 Number of participants who have exited by accommodation type



Uniting and SGCH’s partnership is one way that Uniting helps young people access affordable housing. In Year 4, a process was introduced which involves the SGCH Tenancy Manager working closely alongside Foyer Central staff when an SGCH affordable housing opportunity becomes available. The Tenancy Manager, Foyer Central staff, and young person collaborate to finalise any arrears, navigate tenancy issues, and submit relevant applications. In Year 4, this process enabled two young people to move into SGCH affordable housing.

Foyer Central has also developed relationships with other affordable housing providers, including Twenty10, Evolve Housing, and Mission Australia, to help young people access affordable housing. They continue to look to partner with other affordable housing providers in the future.

# Participant profile

The following charts illustrate some characteristics of Foyer Central participants. Key characteristics include that approximately:

- Half of Foyer Central participants are aged 18 when they enrol
- One third of Foyer Central participants are First Nations
- One third of Foyer Central participants have a culturally and linguistically diverse background

Figure 6 Number of participants at different ages at enrolment

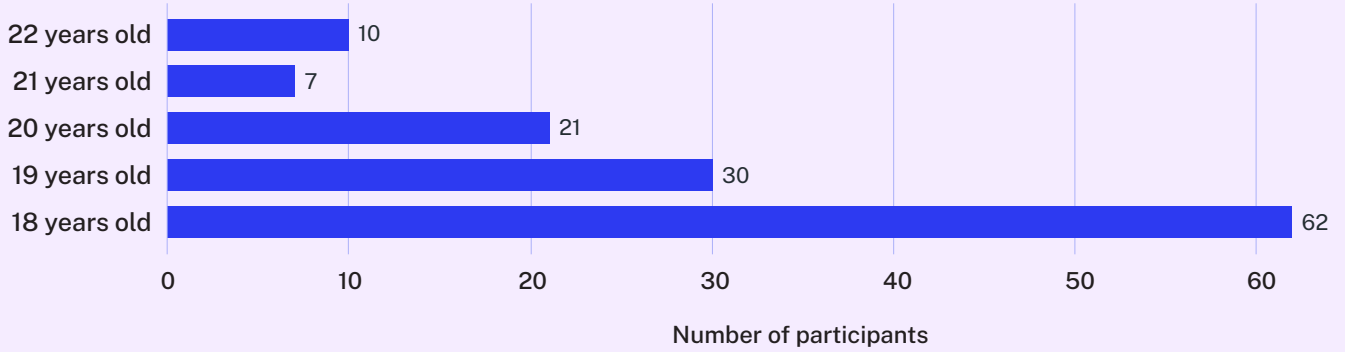


Figure 7 Proportions of participants by gender

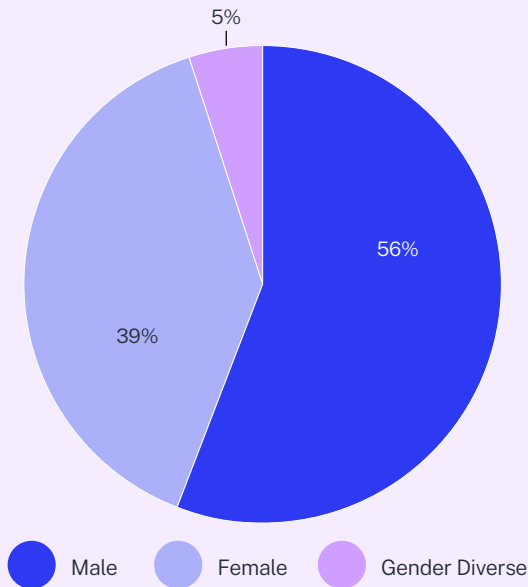


Figure 8 Proportion of participants who are First Nations

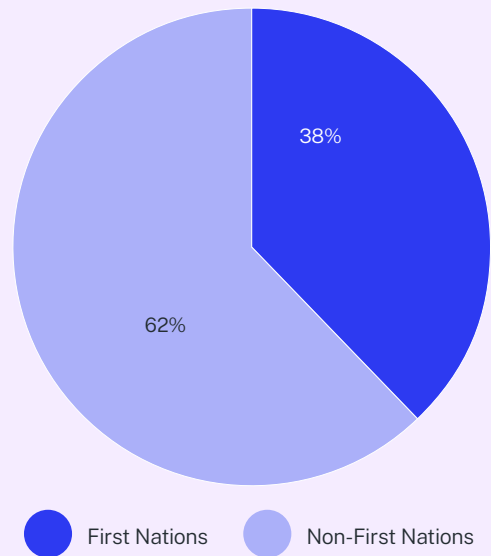


Figure 9 Proportion of participants who are culturally and linguistically diverse

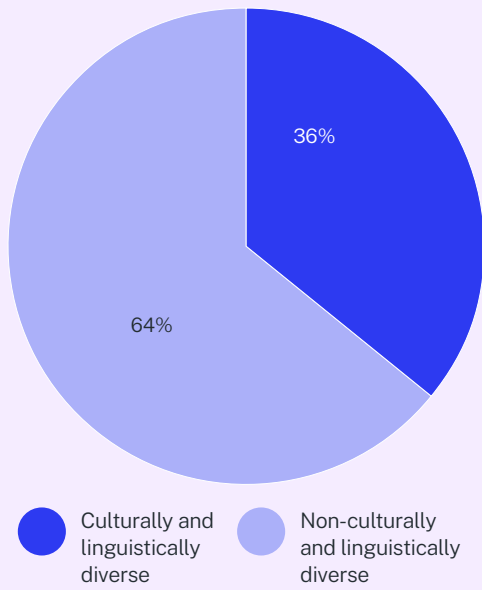
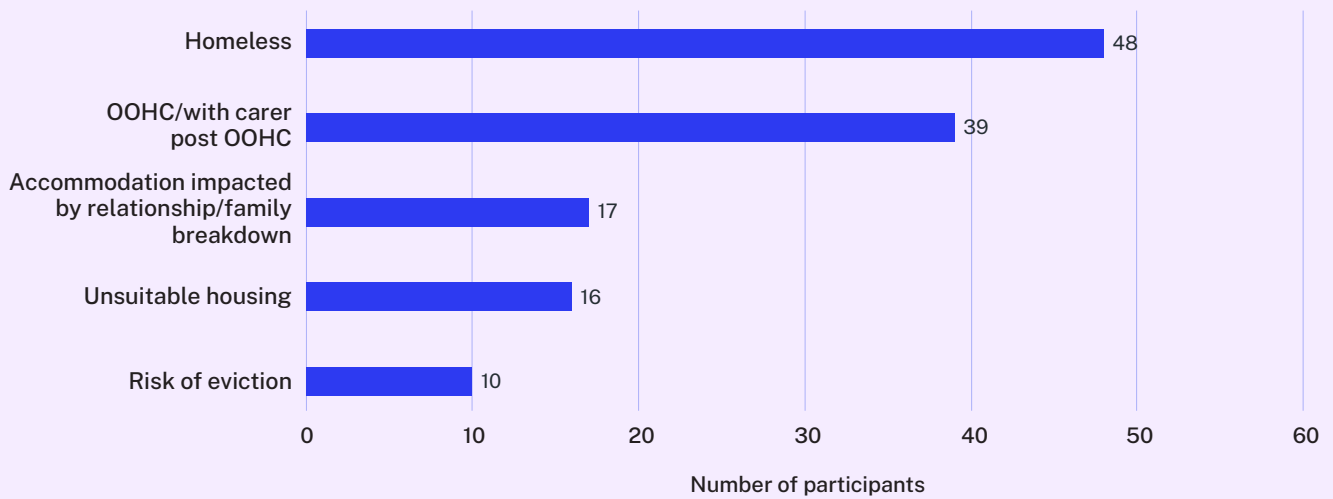


Figure 10 Number of participants living in different accommodation types prior to Foyer Central





## Program operations

Uniting adapts the services and activities available to young people at Foyer Central based on the goals and needs of the young people living at Foyer Central at the time. In Year 4, Uniting continued to:

- centre the voices of young people in decision-making;
- build the Foyer Central community; and
- build and strengthen external partnerships.

These activities are discussed in further detail below.

### Centring the voices of young people in decision-making

Uniting is committed to elevating young people's voices in decision-making about how the Program works. The Youth Advisory Group is a formal mechanism for young people to provide feedback about the Program. In Year 4, they were involved in the review and co-design of Foyer Central's policies and procedures. Their engagement and expertise were invaluable to ensuring that the updated policies and procedures respond better to the different needs and preferences of young people at Foyer Central.

Young people at Foyer Central were also involved in the design of Foyer Central's evaluation by the Australian Housing and Urban Research Institute (**AHURI**). They will play an ongoing role in designing the tools used to gather information, including surveys and interview questions, and provide advice about how to engage young people effectively. First Nations young people at Foyer Central provided specific feedback on how to adapt the tools so that they are culturally appropriate.

### Building the Foyer Central community

The Program actively fosters connections among young people at Foyer Central. Breakfast club, Sunday dinners, trivia nights, and creative workshops provide opportunities for young people to develop friendships in a supportive environment. The challenges and experiences that young people at Foyer Central share mean that they are uniquely placed to support one another.

#### Paul's story continued – Supporting each other<sup>6</sup>

During a Foyer Central community event, a young resident felt overwhelmed by anxiety and considered retreating to their room. With a steady calmness, Paul approached the young man and engaged him in conversation. He didn't brush off the young man's feelings or offer empty reassurances. Instead, he spoke with an understanding that can only come from sharing the experience. Due to Paul stepping up without hesitation, the other resident found the courage to stay and re-join the group instead of disappearing to their room.

Paul's empathy comes from understanding. He knows what the crushing weight of anxiety feels like and the struggle to stay present when everything inside is urging retreat. His willingness to support others during these moments shows his strength. He can offer a hand to help even when he is climbing his own mountain. Paul is one of many young people at Foyer Central who are committed to giving back to the Foyer Central community and supporting each other through challenges.

<sup>6</sup>Participants have agreed to share their story, and their names have been changed to protect their privacy.



Young people meeting the Honourable Tanya Plibersek

## Building and strengthening external partnerships

The Program has a network of external partnerships which provide a diverse range of services and programs that support the health, employment, education, and living skills of young people at Foyer Central. Young people are encouraged to continue relationships with these services and programs after exiting Foyer Central, so that they remain connected to support services and systems as they continue their journeys.

Many of the Program's employment partners provide tailored coaching and support. In Year 4, Foyer Central continued to strengthen its partnerships with Mob Ready and Indigeco, who are dedicated to empowering First Nations people and people experiencing disadvantage to access employment opportunities. They have also formed a strong partnership with Taronga Zoo, who have employed two young people to work at the café and others in their school programs.

A collaboration with Uniting's Talent Acquisition team ensures quarterly job vacancies are discussed with Foyer Central staff. Four young people are currently employed by Uniting in a broad range of roles.

In Year 4, the Program's partnerships with mental health support services had a notable impact on Foyer Central's young people. Linking young people to mental health support services in the community is challenging due to long waitlists and high costs. In response, Uniting partnered with external organisations to provide therapeutic onsite supports as part of the Program. Young people at Foyer Central can access free onsite counselling every fortnight. In addition, a specialist drug-and-alcohol counsellor from St Vincent's Hospital visits Foyer Central weekly (in a volunteer capacity) and provides counselling to young people in need.

# Outcomes

The outcomes data set out in this section is drawn from BDO’s independent certification report for 30 September 2024 (Measurement Date 3). This is the first year the outcomes data has been certified.

## Measurement adjustments

During the year, the parties identified that there were some issues with the existing measurement approach (for example, incomplete and inaccurate data reported to the Australian Government, and concerns about the appropriateness of instances of Excluded Accommodation Use). As a result, the parties worked collaboratively to refine how Successful Outcomes are measured using existing data sources, to ensure that outcomes measurement more accurately reflects the Program’s impact. These adjustments are reflected in the recorded outcomes below.

## Successful Outcomes

The number of Cumulative Successful Outcomes is the product of:

- the number of young people enrolled in the Program (which determines the number of young people who have completed their 12-Month Measurement Period); and
- the proportion of young people who achieve a Successful Outcome.

The number of Cumulative Successful Outcomes required for each Performance Band increases over time in line with the number of participants planned to have completed their 12-month Measurement Period. The lower threshold of each Performance Band at each Measurement Date is set out in Table 3.

**Table 3 Number of Successful Outcomes for each Performance Band at each Measurement Date**

Measurement Date	Performance Band							
	1	2	3	4	5	6	7	8
30 Sep 2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30 Sep 2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>30 Sep 2024</b>	<b>0</b>	<b>24</b>	<b>29</b>	<b>33</b>	<b>36</b>	<b>39</b>	<b>42</b>	<b>45</b>
30 Sep 2025	0	37	44	50	55	60	64	69
30 Sep 2026	0	52	61	69	76	83	89	96
30 Sep 2027	0	67	78	89	98	106	115	123
30 Sep 2028	0	81	95	108	118	128	138	149
30 Sep 2029	0	96	112	127	139	151	163	175
30 Sep 2030	0	108	126	143	156	170	184	197

At Measurement Date 3, 41 young people had completed their 12-month Measurement Period. This is lower than planned (62) due to lower enrolments and exits than planned (see previous sections). Of these young people:

- 26 achieved a Successful Outcome, representing a 63% success rate;
- 9 recorded a Negative Indicator, meaning they cannot achieve a Successful Outcome; and
- There is insufficient evidence at the time of reporting to assess whether the remaining 6 young people have achieved a Successful Outcome.

**These results place the Program in Performance Band 2** as illustrated by the shading in Table 4.



Table 4 Performance Bands for outcomes at Measurement Date 3

Scenario	Under-perform	Well Below	Below Target	Slightly Below	Target	Slightly Above	Above Target	Well Above
Performance Band	1	2	3	4	5	6	7	8
Number of Successful Outcomes (at Measurement Date 3)	0-23	<b>24-28</b>	29-32	33-35	36-38	39-41	42-44	45+
Success rate (with 41 participants who have completed their Measurement Period)	<40%	40%-46%	46%-52%	53%-57%	57%-62%	<b>63%-67%</b>	68%-72%	>72%
Number of participants with completed Measurement Periods as % of plan (with 60% success rate)	<66%	<b>66%-77%</b>	77%-87%	88%-95%	96%-104%	104%-112%	113%-120%	>120%

As highlighted in Table 4, the primary reason for the lower than expected performance is that the number of young people to have completed their 12-month Measurement Period at Measurement Date 3 is lower than planned (66% of planned). The factors contributing to lower than planned enrolments and exits are discussed in the sections above, including actions that Uniting is implementing to ensure that this gap is reduced.

The Program’s success rate (63%) is slightly above target and corresponds to Performance Band 6, as outlined in Table 4. This reflects the positive impact that Foyer Central has had with young people that are supported (despite lower than planned enrolments and exits).

It is anticipated that 79 young people will have completed their 12-Month Measurement Period at Measurement Date 4. For illustrative purposes, 55 young people will need to record a Successful Outcome by Measurement Date 4 (a 70% success rate) for the Program to achieve Performance Band 5 (the ‘Target’ performance scenario).

## Interim indicators

Uniting will receive payments from the Department based upon two Interim Indicators, but payments under the Loan Agreement (and hence Investor returns) are not linked to these measures.

### Occupancy rate

The average occupancy rate is a measure of Uniting’s ability to enrol and engage Foyer Central participants. The average occupancy rate over the year to 30 September 2024 was 96%, which is slightly higher than planned (93%).

### Course completion rate

The course completion rate is a measure of Uniting’s ability to support Foyer Central participants to engage in formal development of their life skills. This is an early indicator of a participant demonstrating their commitment to meet their long-term goals. The course completion rate at Measurement Date 3 was 73%, which is below plan (85%).<sup>7</sup>

The interim payment is based on the average of these two indicators, which is 84%. As a result, an interim payment will be payable to Uniting for Measurement Date 3.

<sup>7</sup>The course completion rate considers participants who have been in Foyer Central for at least three months.

# Performance Review

As outlined in the [Foyer Central SIB Information Memorandum](#), the Implementation Agreement (the contract between the Department and Uniting) allows for a Performance Review to be undertaken following the Measurement Dates in each year from 2023 to 2028 to determine whether the Program is delivering outcomes to a satisfactory level.

The Performance Review at Measurement Date 3 determined that Cumulative Successful Outcomes are tracking at Performance Band 2. As a result, the parties will work together to agree whether to continue the Implementation Agreement, including any changes to address the lower than expected performance and/or enrolments. If the parties are unable to reach agreement on any changes to the Implementation Agreement, then either Uniting or the Department may terminate the Implementation Agreement. These negotiations are expected to start in early 2025 and finish by April 2025.

Under the terms of the Loan Agreement, Uniting cannot agree to variations to the Implementation Agreement that would impact on Successful Outcome or Interim Indicators or any payment to Uniting under the Implementation Agreement without the consent of SVA Nominees Pty Ltd in its capacity as trustee of the Foyer Central SIB.

SVA will provide an update to investors once the Performance Review and any subsequent negotiations have concluded.



NAIDOC artwork designed and painted by First Nations young people at Foyer Central

# Financial Report

## Interest Payment

Under the terms of the Loan Agreement, Uniting will make 9 Interest Payments to the Foyer Central SIB Trust, on or about 31 December each year from 2021 to 2029. The Interest Payments are calculated as at each Interest Payment Date as follows:

$$\text{Interest Payment} = P \times r \times n - A$$

Where:

- **P** is the total principal under the Loan Agreement (\$7 million).
- **n** is the number of the Interest Payment. For Interest Payment 4, **n** is equal to 4.
- **A** is the aggregate of the Interest Payments made to date in respect of all previous Interest Payment Dates. For Interest Payment 4, **A** is equal to \$420,000.
- **r** is the Interest Rate, being:
  - for Interest Payments 1 to 3, 2%;
  - for Interest Payments 4 to 9, a rate determined with reference to the Performance Band achieved at the Measurement Date immediately preceding the relevant Interest Payment Date, as follows:

Performance Band	1	2	3	4	5	6	7	8
Interest Rate	0%	0%	1%	4%	6%	8%	10%	11%

The interest payment is subject to a minimum of nil.

Performance Band 2 was attained at the Measurement Date immediately preceding Interest Payment 4 (Measurement Date 3). Accordingly, the Interest Rate for determining the interest payable from Uniting is 0% and, therefore, **Interest Payment 4 is nil**.

$$\text{Interest Payment} = (P \times 0\% \times 4) - 420,000 = \text{nil (minimum applies)}$$

## Coupon Payment

Coupon Payments are made following receipt of the Interest Payment from Uniting. Noteholders receive a Coupon Payment representing their pro-rata share of the Interest Payment received from Uniting. Noteholders will not receive a Coupon Payment for Interest Payment Date 4 because Interest Payment 4 from Uniting is nil.



## Early termination

If the Foyer Central SIB Implementation Agreement were to terminate following a Performance Review, under the terms of the Loan Agreement, investors would be repaid a proportion of their principal. The proportion of principal that is repaid will be determined by the performance of the Program at the immediately preceding Measurement Date. The proportions of the principal repayable in different performance scenarios is outlined in Table 5.

**Table 5 Proportions of principal repayable in different early termination scenarios**

Reason for termination	Proportion of principal repayable
Performance Band 1	55%
Performance Band 2	65%
Performance Bands 3-8	100%

Termination could arise if the parties are not able to reach agreement on terms to continue the Implementation Agreement, following the Program being assessed at Performance Band 2 for Measurement Date 3. In this case, investors would be repaid 65% of their principal.

# Disclaimer and confidentiality

This document has been prepared by Social Ventures Australia Limited (ACN 100 487 572) (SVA) as the Manager of the Foyer Central SIB Trust. Please refer to the Information Memorandum, SIB Deed Poll and Purchase Deed for the Foyer Central Social Impact Bond dated 23 December 2020 for information on structure and terms. The information contained herein should be considered as indicative only and does not purport to contain all the information that any recipient may desire. SVA does not provide financial advice and recipients should seek independent financial advice. Further, statements in this report are not intended to be tax advice and investors should consult a professional tax adviser, if necessary, for tax advice required in connection with completion of tax returns.

To the extent permitted by law, SVA and its respective related bodies corporate, officers, employees and advisers do not make any representation or warranty as to, or take responsibility for the accuracy, reliability or completeness of any information in this document nor do they give any assurance that the results, valuations, performance or achievements

expressed or implied by any forward looking statements contained in this document will actually occur. Recipients are cautioned not to place undue reliance on such information. Whilst this document has been prepared by SVA in good faith and with due care, SVA and its respective related bodies corporate, officers, employees and advisers disclaim all liability that may otherwise arise due to any information contained in this document being inaccurate or due to information being omitted from this document, whether by way of negligence or otherwise.

Investors should note that past performance of the Foyer Central Program should not be treated as an indication of future performance. This document and all the information contained in it must not be disclosed to any person or replicated in any form without the prior written consent of SVA Nominees Pty Ltd (ACN 616 235 753) in its capacity as trustee of the Foyer Central SIB Trust.

© Social Ventures Australia Limited, 2024

All images have been supplied and information (as applicable) has been supplied from the relevant investment. All images are published with the consent of the image owner.

## Photo credits:

Uniting and St George Community Housing



**sva** innovators  
for good

Social Ventures Australia

Brisbane | Darwin | Melbourne | Perth | Sydney | ABN 94 100 487 572 | AFSL 428 865

[foyercentralsib@socialventures.org.au](mailto:foyercentralsib@socialventures.org.au) | [socialventures.org.au](http://socialventures.org.au)