

A photograph of a middle-aged man and woman smiling and looking at each other outdoors. The man is on the left, wearing a light pink shirt, and the woman is on the right, wearing a colorful patterned top. They are in front of a background of trees and a bright sky.

# From Foundations to Actions



**Measuring the Achievements of  
Phase One of the Financial Inclusion  
Action Plan (FIAP) Program**

**Program Report March 2018  
Part One**



# The journey so far



**Financial Inclusion Actions Plans (FIAPs) are commitments made by organisations to take action to realise financial inclusion and resilience within their own sphere of influence. They address difficulties of exclusion faced by their customers, staff, suppliers and community partners.**

This Report 'From Foundations to Actions: Measuring the Achievements of Phase One of the Financial Inclusion Action Plan (FIAP) Program' is divided into two parts.

**Part One** contains an overview of the Financial Inclusion Action Plan (FIAP) program, Phase One Evaluation and Quality Assurance, and next steps relating to the future of the program.

**Part Two** contains detailed information on the Foundation Financial Inclusion Action Plans of the 30 Trailblazer organisations who have joined the program to date.

Both parts of this report are available for download at [www.fiap.org.au](http://www.fiap.org.au)

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**30**  
**Trailblazer Organisations**

over  
**580**  
committed actions

**72%**  
of 240+ actions committed in 2016 have been completed

# A Message from the Chair

We all want to realise our potential and live full aspiring lives. Connecting and relating well with others, especially our family and friends, is central to our wellbeing.

Financial wellbeing and resilience is a key enabler in achieving this. Having adequate economic resources and access to financial services, along with the capability to apply these effectively and rely on those around you, both people and organisations, is paramount. Yet increasingly large numbers of people are living in a state of financial vulnerability.

Research from the Centre for Social Impact (CSI) shows that financial resilience hasn't improved in Australia. In fact, it decreased between 2016 and 2017. There were 2.4 million adults who were financially vulnerable and only 36 percent of the population considered themselves financially secure.<sup>1</sup>

But financial vulnerability does not just impact people on low and middle incomes— one in four employees report that financial stress affects their wellbeing and productivity.<sup>3</sup>

The Financial Inclusion Action Plan (FIAP) program was designed to mobilise action across all sectors to improve financial inclusion and resilience for the millions of people who are on the edge of a precarious financial situation.

The response has been overwhelming— 30 organisations have now taken bold steps to understand their impact on financial inclusion, and to take action that works to enable large numbers of people to significantly improve financial wellbeing and inclusion.

The release of this report marks an important milestone for the FIAP program and its many participants across the government, business, community and education sectors. It celebrates the achievements of the first phase of the program – the 'Foundation' phase—and it shares some valuable lessons that will inform the second and third phases of the program where organisations 'Build' and 'Embed' their FIAPs.

This report showcases the progress of the first 12 Trailblazer organisations—the leaders who acknowledged the role they could play in contributing to improving financial inclusion and resilience for their customers, employees and the broader community. These Trailblazers made an important contribution to collectively design a robust framework to support organisations through their FIAP journey.

I'm also delighted to welcome 18 new organisations to the program, who have now launched their Foundation Action Plans. The potential collective impact of these 30 organisations is enormous. There are more than 580 actions being implemented which address the needs of people who are financially excluded or vulnerable including women on low incomes, Aboriginal and Torres Strait Islander people and others on low incomes or in financial hardship, those with a disability, and people experiencing domestic or family violence.

The first phase of the FIAP Program was made possible through the financial support of the Australian Government and in-kind support of the Partnership Group and participating Trailblazers. Our goal is to ensure that the program is able to continue and grow in a sustainable manner in the future.

Congratulations to all our FIAP Trailblazers on their courage to turn good intentions into action that works to realise financial inclusion and resilience of millions of people. After all, this is in all of our interest.



**Adam Mooney**

CEO, Good Shepherd Microfinance,  
Chair of the FIAP Partnership Group

## Acknowledgments from the

# FIAP Partnership Group



The purpose of Good Shepherd Microfinance, ‘enabling economic wellbeing of people on low incomes, particularly women and girls’, sits at the heart of the FIAP program. Yet we could not achieve this on our own – we need all sectors to work with us to make this happen. I am so proud of the 30 Trailblazers who have joined forces to bring this purpose closer to reality – together they employ 250,000 people and impact almost 80 per cent of society. We look forward to welcoming more participants as the FIAP Program continues to grow, giving hope of fuller lives to millions.

**Adam Mooney**

**CEO, Good Shepherd Microfinance**



At the Centre for Social Impact (CSI), we are striving for a better world and believe everyone has a role to play in creating social change. The FIAP program is a fantastic example of this with individuals and organisations from across the social purpose ecosystem collaborating to improve economic equality, financial inclusion and financial resilience. The first stage of our evaluation of the FIAP program shows promising signs of systems change and the baseline we have established will enable us to measure the success of the FIAP program into the future. CSI is proud to partner with DSS, Good Shepherd Microfinance and EY on this innovative program.

**Professor Kristy Muir**

**CEO, Centre for Social Impact**



At EY, we are committed to driving inclusive growth. Financial inclusion is one of society’s most challenging issues, and we believe we have an important role to play in addressing it. As part of the FIAP Partnership group, we have been able to use our knowledge and experience towards building a collaborative platform. Since its launch in 2016, the FIAP program has brought together business, community, government and academia to tackle financial exclusion. Our team has worked hand-in-hand with the FIAP Trailblazers to ensure the program is able to develop and evolve, and can demonstrate real, practical actions. The FIAP strategy is directly aligned with our purpose of building a better working world.

**Mark Nixon**

**Partner, Advisory, EY**

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## Executive Summary

# FIAPs: a Roadmap to a Resilient Future

Financial services are the lifeblood of any economy, and the ability to use financial resources effectively enables people to seize economic opportunities and reduce vulnerabilities. Households and businesses have a chance to save, invest and protect themselves against risks. Yet more than 3.3 million people in Australia are financially excluded,<sup>2</sup> unable to access safe, affordable and appropriate financial services when they need them; and more than 2.4 million people are financially vulnerable.<sup>1</sup> Financial stress can impact anyone — one in four employees report that financial stress affects their wellbeing and workplace productivity.<sup>3</sup>

Addressing these challenges presents opportunities to support people to achieve fullness of life, but also to create wider benefits for the economy as a whole, such as inclusive growth, reduced government costs and a more equitable society. Tackling these issues requires concerted and collaborative action from organisations across all sectors — it's everyone's business.

The Financial Inclusion Action Plan (FIAP) Program provides a platform for organisations from diverse sectors to combine forces to collectively improve the lives of millions of people in Australia. Thirty organisations (FIAP Trailblazers) joined Phase One of this program — together they employ over 250,000 people and have almost 80 percent of the Australian population as customers. Demonstrating that realising greater financial inclusion and resilience is not the responsibility of any one sector, Trailblazers represent financial services, utilities, social services, government, education and legal services amongst other sectors.

**FIAP participants make genuine commitments to take action, and having undertaken Evaluation and Quality Assurance at the end of Phase One, we now have evidence that the FIAP framework is effective.**

- Together, the FIAP Trailblazers have committed over 580 actions to realise greater inclusion and resilience for vulnerable groups in their own sphere of influence.
- 72 percent of the 240+ actions committed by the first twelve Trailblazers in 2016 have been completed, with a further 21 percent currently underway.
- 100 percent of participants also report that the FIAP program has facilitated increased collaboration both within and across sectors.

Trailblazer actions have had a strong focus on assisting customers facing financial stress, but have also identified the need to improve the financial wellbeing of employees. Financial services providers have committed to improve products and services, for example by offering tailored accounts and orientation to specific groups such as refugees or people living with a disability. The utilities sector has focused on collaboration, for example building referral pathways both within and across sectors. Social service organisations continue to lead the way on improving financial capability, building this into their existing support services so that those seeking assistance have increased resilience in future.

As we wrap up Phase One (Establish and Engage) of the FIAP program, we look forward to continuing the important work of collectively creating a more financially inclusive society, as illustrated overleaf. Learnings from our early experience will be used to streamline and improve the FIAP program before we expand to achieve Critical Mass in Phase Two, with the aim of embedding financially inclusive principles into day-to-day activities over a ten-year horizon. We will transition to a sustainable model, where participants are able to commit to financial inclusion because they understand the benefits for their own organisations, customers, staff, and the communities in which they operate.

**The FIAP partners believe that we can achieve our shared vision of a more inclusive society, if we recognise the opportunity FIAPs offer us all to commit, collaborate, and act to make this possible.**

Phase 1

## Establish & Engage

2015 - 2018



### Reach

- > 30 Trailblazers
- > 250,000 employees
- > 1.5m 'at-risk' customers

### Impact

- > 580 actions via Foundation FIAPs
- > FIAP Toolkit tested & refined
- > Robust evidence of improved Trailblazer understanding; strategies to address gaps & cross-sectoral collaboration.

## Transition

2018 - 2019

### Reach

45 FIAP members

### Impact

- > Online FIAP Toolkit & Collaboration Portal
- > Sustainable FIAP funding & business models
- > Launch first Place-based FIAP (Geelong, Vic.)

Phase 2

## Critical Mass

> 2019 - 2022

### Reach

- > 200 FIAP members
- > 500,000 employees
- > 2m 'at-risk' customers

### Impact

- > 4000 actions via Foundation & Build FIAPs
- > Expand footprint across retail, technology, health, housing, utilities, manufacturing etc.
- > S.M.A.R.T. Indicators, member-level reporting
- > FIAP actions emulated by others
- > Targeted, scalable tools to better support 'at-risk' groups

Phase 3

## Community-led

> 2022 - 2027

### Reach

- > 750 FIAP members
- > 1.5m employees
- > 2.5m 'at-risk' customers

### Impact

- > Foundation, Build & Embed FIAPs
- > Local communities/organisations join and adapt to suit their local context
- > Place-based, Sector-led, Topic-based approaches
- > Collective actions become industry norms & influence structural change

Phase 4

## Exit

> Fully embedded in society

### Reach

Financial Inclusion is everyone's business

### Impact

FIAP Theory of Change realised — FIAP program enables people to move away from financial hardship towards stability & income generation

## FIAP contributes to:

**Increase in nominal GDP of \$2.9b p.a.**

**Increase in household wealth of \$11.8b p.a.**

**Reduction in Government spending of \$583m p.a.<sup>4</sup>**

## What's the Opportunity?

# Financial Inclusion for a Fairer Society

Financial exclusion is a global challenge with no simple solutions, impacting almost two billion people across the world.<sup>5</sup> Access to safe and affordable financial services is an essential requirement for individuals, families, and communities to prosper, and escape poverty and hardship.

Appropriate financial services, when combined with the resources, capability, and knowledge to use them effectively, can help people overcome shocks, take advantage of opportunities, and focus more time and effort on the things that are really important to them.

Conversely, financial exclusion places people and their families at risk of financial hardship. Vulnerable to predatory lending, they are more likely to experience poorer social, emotional and health outcomes, often becoming trapped in entrenched poverty.

At a macro level, financial exclusion also increases costs for governments, businesses and the community sector.

Increasing financial inclusion can improve levels of savings and credit, and therefore create growth in jobs, wages and overall economic activity.

Australia has experienced continued economic growth for over 26 years, but this growth has not been inclusive.<sup>6</sup> Income and wealth disparities are rising,<sup>6</sup> and three million people now live below the poverty line.<sup>7</sup>

Financial stress affects wide segments of society, with one in four employees so financially stressed that they lose productivity, costing Australia an estimated \$47 billion per year.<sup>3</sup> The number of employed people seeking help for homelessness has also jumped by almost 30 percent in three years, sparking concerns that stagnant wage growth and high housing costs are pushing workers to the brink.<sup>8</sup>



**1 in 2**

people have less than 3 months income saved<sup>1</sup>

**3.3 million**

people are financially excluded<sup>2</sup>

**194%**

household debt to disposable income ratio, a 10 year high<sup>9</sup>



**17.3%**

gender pay gap<sup>10</sup>

## FIAPs can make a genuine difference

Economic modelling shows that as FIAP actions are embedded into business as usual practices over a 10 year horizon, the FIAP program could contribute towards:

- ✓ Increase in nominal GDP of \$2.9b p.a.
- ✓ Increase in Household Wealth of \$11.8b p.a.
- ✓ Reduction in Government spending of \$583m p.a.<sup>4</sup>



## FIAPs and the Sustainable Development Goals

Financial inclusion is not an end in itself, but a means to an end, offering pathways to economic opportunities which enable people to realise their full potential. Across the globe, policymakers are also recognising that financial inclusion is a powerful engine of progress, and a catalytic tool to advance human development.<sup>11</sup>

The FIAP program is grounded in a robust Theory of Change (see page 24), which links actions taken by FIAP Trailblazers to the longer-term social change required to realise greater financial inclusion and resilience in Australia. By taking these actions, Trailblazers also contribute to 12 of the 17 Sustainable Development Goals (SDGs 1-10 and 16-17) which are associated with reducing inequalities and promoting inclusive growth, as briefly described below:



- |   |   |
|---|---|
| <p><b>1</b> Savings help families escape poverty as they absorb financial shocks, smooth consumption, accumulate assets and invest in health &amp; education.</p> <p><b>2</b> Farmers with access to finance produce better harvests, and are able to be more resilient to external shocks.</p> <p><b>3</b> Access to finance enables people to better manage medical expenses and rebound from health crises.</p> <p><b>4</b> Savings help families plan for and manage education expenses, building human capital which fuels economic growth.</p> <p><b>5</b> Financial services help women assert economic power, and have greater control over their finances such as prioritizing spend on household necessities.</p> | <p><b>6 + 7</b> Access to clean and affordable utilities including water and energy is a basic necessity; users must also be treated fairly when faced with financial hardship.</p> <p><b>8 + 9</b> Lack of access to finance deepens income inequality, slows economic growth, creates poverty traps and reduces ability for SMEs to create jobs and growth.</p> <p><b>10 + 16</b> Income inequality creates instability and slows economic growth; access to finance helps people get assistance when faced with crises.</p> <p><b>17</b> Collaboration and collective action across multiple sectors is needed to achieve system change.</p> |
|---|---|

The FIAP Partnership Group is also building a rigorous evidence-base to monitor and track the progress of the FIAP program, including the ability to contribute towards broader goals of reducing inequalities and supporting inclusive growth. This evidence base will include indicators at individual, community and population levels, and will contribute to the growing body of global knowledge on the role of financial inclusion in achieving the Sustainable Development Goals.

## From International Commitments to Community-led Actions

In 2010, the G20 committed to a Global Financial Inclusion Action Plan which, under Australia's leadership in 2014, led to a commitment to develop country-level action plans which complement the United Nations Sustainable Development Goals. Recognising that financial inclusion in Australia is best addressed by a cross-sectoral, action-led approach, the Australian Government commissioned Good Shepherd Microfinance in 2015, to conceive, develop, implement, and monitor the Financial Inclusion Action Plan (FIAP) Program.



Introducing the

# FIAP Trailblazers

The FIAP program was designed to enable organisations from very diverse sectors of Australian society to participate and contribute towards a fairer and more inclusive society.

In many countries, the initial focus of financial inclusion is heavily reliant on the Government, regulators and the financial services sector to promote actions for greater inclusion. The FIAP program in Australia, however, recognises that financial exclusion can be impacted by many factors, and enables a wide variety of organisations to work together to address these challenges.

## Financial Services



## Utilities



## Retail



## Government





The FIAP Program gives us an opportunity to listen and to learn from those in our sector who have a very deep knowledge of the inequity and the imbalance that exists. ”

Debbie Blakey  
CEO, HESTA



### Not-for-profit



### Education



### Legal



### Fintech



### Mutual Organisation



# Co-designing a Framework for Change

## What is a FIAP?

A Financial Inclusion Action Plan (FIAP) is an agreed strategy of practical actions that an organisation will undertake to improve financial inclusion in Australia. A FIAP provides an opportunity for the organisation to take real action to enable financial inclusion and resilience.

Led by Good Shepherd Microfinance which provides secretariat support, the FIAP program is guided by a Partnership Group comprising the Australian Government (Department of Social Services), Ernst & Young (EY) and the Centre for Social Impact (CSI) at the University of New South Wales. The program is also supported by an Advisory Group of experienced experts from across participating sectors.

At the close of Phase One, the FIAP program has enabled thirty Trailblazer organisations to develop plans that align with their own strategic priorities. Each organisation has the opportunity to join a Community of Practice which enables them to network, share learnings and collaborate with other Trailblazers, finding new ways to further strengthen the program.

## Program-Level Statement of Purpose

**To realise inclusive growth for individuals, families and communities in Australia**

**by reducing inequalities & increasing financial inclusion and financial resilience**

**through collective actions of organisations across industry, government, academia and the community sector.**



**100%**

of Trailblazers say the program facilitates **collaboration**, and provides examples to emulate.



**86%**

say FIAPs promote a **greater understanding** of financial inclusion and resilience to other parts of their organisations.

## Developing a FIAP:

# A Robust, Consistent Methodology and Process

The FIAP program methodology, co-designed by the Partnership Group with the Trailblazer organisations, has led to the development of a robust and consistent yet flexible process, which continues to be tested and refined as part of a “Try, Test and Learn” approach.

Once an organisation has made a commitment to join the FIAP program, Good Shepherd Microfinance provides expertise and support to conduct a series of workshops which guide the development of their Action Plan, following a consistent set of steps as outlined in the diagram below.



These workshops involve employees from across the organisation, including not just those responsible for social and community issues, but also business, customer-facing and support functions such as product and policy development, customer care, hardship management, human resources, treasury or finance.

## Why Join the FIAP Program?

Financial Inclusion Action Plans provide an opportunity for organisations to explore their current business operations and to identify potential future actions to support financial inclusion and resilience. The FIAP program provides a robust framework to support this, including quality assurance, monitoring and evaluation. Joining the FIAP Program also provides opportunities to learn from and collaborate with leading organisations from diverse sectors.

### Positive Organisational Outcomes

- Enables cross-sector, cross-industry relationships built on shared values and shared purpose
- Provides an opportunity to understand and engage diverse, often under-served customer segments
- Improves staff financial wellbeing and fosters a sense of organisational purpose
- Provides a framework for measurement and evaluation

### Positive Community Outcomes

- Strengthens and deepens relationships with community members and organisations
- Creates a more supportive environment, encouraging participants to take meaningful steps towards financial inclusion and resilience

### Positive Client Outcomes

- Improved access to safe, affordable and appropriate financial products and services
- Increased financial knowledge and behaviour
- Increased economic resources
- Increased social capital

## Foundation FIAPs

# The 'Try, Test and Learn' Approach

A Foundation FIAP is a 12-month commitment made by a participating organisation, which identifies existing activities and new opportunities to realise financial inclusion and resilience, in ways that also complement the Trailblazer's strategic priorities. The Foundation FIAP allows an organisation to review, test and refine actions they wish to commit, adopting a 'Try, Test and Learn' approach.

Supported by expert FIAP partners, Trailblazers consolidate and build upon existing actions they may already be taking, which address the key triggers of exclusion and low resilience. They also explore new and innovative ways to address any gaps they may have identified over the course of their FIAP journey, in relation to actions they could take, or groups of stakeholders they could better support.

## Addressing the Needs of Multiple Stakeholders

The Foundation FIAPs are designed to address the needs of multiple stakeholders within the Trailblazers' own sphere of influence, who may be 'at-risk' of financial exclusion and low resilience. At the completion of Phase One, the 30 FIAP Trailblazers have committed to over 580 practical actions which focus on four stakeholder groups, namely their own customers, staff, suppliers and community partners.

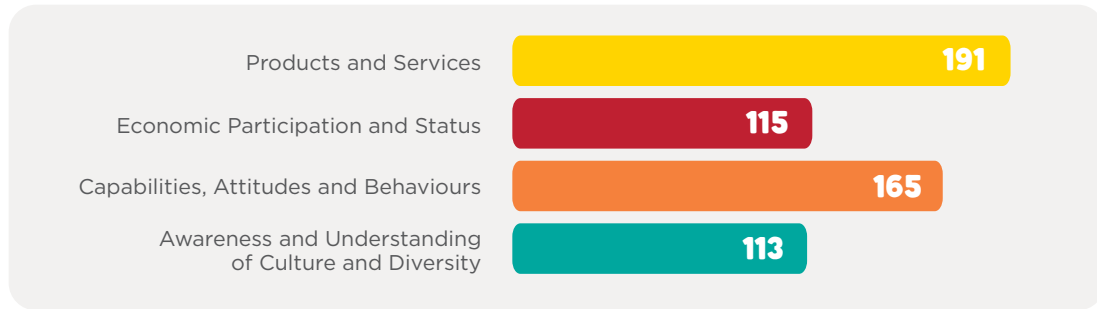


As the diagram above illustrates, almost half of these actions (48 percent) are focused on the Trailblazers' customers, and a quarter on the needs of the wider community. A key learning from the program has been a growing awareness amongst Trailblazers, of the need for actions which also support other stakeholders, namely their own staff (22 percent) and suppliers (5 percent).

## Multiple Focus Areas to Best Respond to Needs

The Foundation FIAP framework enables Trailblazer organisations to explore four key areas on which they can focus their actions — ensuring their products and services better support those in need; improving capabilities, attitudes and behaviours of multiple stakeholders; developing a deeper understanding of vulnerability including culture and diversity; and enhancing the economic participation and status of those 'at-risk'.

## Number of Actions



Many of the 580+ Foundation actions taken by the Trailblazers focus on making their products and services more client-centred and accessible (33 percent), and improving capability-building, both internal and external to the organisation (28 percent). Actions to enhance economic participation and resources, and improve the Trailblazers' understanding of vulnerability are also emerging, and will be a focus of the next phase of the FIAP program.

## Addressing the Key Triggers of Financial Exclusion

The Trailblazers' actions have been designed to respond to a wide range of factors which trigger financial exclusion and low resilience, including financial hardship, family violence and financial abuse, unstable housing, mental health and financial stress, digital exclusion, low economic participation and inequalities in economic status.

These factors can impact anyone, yet certain groups of people are more likely to be 'at-risk' of financial exclusion and low resilience. In particular, the FIAP Trailblazers have targeted Aboriginal and Torres Strait Islander people, women, youth (particularly students), those from culturally and linguistically diverse (CALD) backgrounds including refugees, older people, those with a disability (and their carers), small business owners and those recovering from disasters.

The diagram below illustrates the key triggers and 'at-risk' groups that the 580+ actions committed by FIAP Trailblazers via their Foundation FIAPs, focus on. The size of each box reflects the number of targeted actions, noting that many actions address multiple focus areas and/or 'at-risk' groups. For a full description of each Trailblazer's Foundation FIAP, please refer to Part Two of this report.

### Focus areas for FIAP actions



# Taking Action to Shift the Dial on Financial Inclusion and Resilience

Here is a sample of some of the more than 580 actions committed by FIAP Trailblazers which will shift the dial on financial inclusion and resilience in Australia.



## User-centred product design and delivery

All Trailblazers have committed to review and improve product design and delivery, to better support 'at-risk' customers.

- > MoneyBrilliant will develop in-app functionality that will proactively identify customers experiencing financial hardship and provide them with tailored information and support.
- > Commonwealth Bank has implemented an assistance program supporting more than 600 newly arrived refugees, opening bank accounts and holding orientation sessions.
- > NAB has provided support to develop and launch of Speckle, fast online cash loans from Good Shepherd Microfinance that are around half the cost of similar loans.
- > Suncorp's "Essentials by AAI" insurance has been taken up by more than 1,000 people on low incomes.
- > As part of its commitment, the Queensland Government allocated \$31 million over five years from 2016-17 to fund financial counselling and financial resilience worker positions and provide continued emergency relief to support financially vulnerable Queenslanders across the state.
- > Australian Unity has worked with over 100 employees and 50 clients to improve the billing experience for customers of its Home & Disability Services business unit.
- > Energy Australia has pledged \$10m to support vulnerable customers, including financial relief and assistance to use energy more efficiently



## Supportive policies and processes

People-centred policies and processes can significantly enhance financial inclusion not just for an organisations' customers, but also their staff, suppliers and community partners.

- > AGL has committed to offer training to all 3500 of its people to raise awareness, change behaviours and attitudes, recognise the signs of people who may need support and highlight the support services available. Support for its people includes access to 10 days paid leave and a Domestic Violence Hotline.
- > Origin's matched payments and waivers totaled \$12.4m in FY17. In FY18, Origin is investing around \$15m in matched payments, waivers and price relief. Origin has also frozen the impact of price increase for vulnerable customers.
- > Australian Ethical pays superannuation contributions to staff on parental leave. This can help address the superannuation gap, whereby women who retired in 2016 had on average \$120,000 less superannuation than men.
- > BaptistCare embedded financial conversations into its case management process for women impacted by family and domestic violence. This includes a focus on the transition to stable housing.



## Collaboration for Collective Action

A key benefit highlighted by all FIAP Trailblazers is the opportunity to collaborate and share learnings with others, including actions they can emulate in future.

- > Westpac Group and the Salvation Army co-designed "You're The Boss", a financial capability-building program and app. Throughout 2016-17, almost 1,800 people attended community education sessions. 87.5 percent of participants reported they were able to apply learnings to their own situation.
- > Yarra Valley Water and Energy Australia have together piloted a referral program for shared customers facing financial stress, working across teams to offer easy referral pathways.





## Enhancing Financial Capability

Many Trailblazers partner with not-for-profits to provide capability-building support for those at risk. They are exploring options for digital delivery to scale-up reach and impact; and also focusing on staff capability, resilience and financial wellbeing.

- > ANZ's MoneyMinded workshops reached 49,306 people in 2017 and a further 1,268 completed the program online.
- > VicSuper has supported over 12,000 Victorian women to increase their sense of financial empowerment and confidence and take greater control of their finances through their "Super Woman Money" program, launched in 2012.
- > Bank Australia has run budgeting and savings workshops for 27 Big Issue vendors in Adelaide and Brisbane, with plans to run workshops nationally. One vendor said, "That for me so far has been the most informative, insightful and educational budgeting workshop I've personally been involved with attending."
- > ICAN has delivered Indigenous-centred programs in 12 communities, including "Yarnin' Money" for individuals and families and "Yarnin' Business" to support small businesses.
- > 10thousandgirl provides fun and interactive financial wellbeing programs for women. Since 2009 they have educated more than 10,000 women throughout Australia. 91% of women that completed a 10thousandgirl program felt more motivated to achieve their financial goals.
- > Commonwealth Bank has committed \$900k to support financial counsellors, including providing domestic violence training and funding 10 scholarship annually for the next 10 years.



## Training and programs to improve staff capability

FIAP Trailblazers have found the need to improve staff capability regarding financial inclusion. This has resulted in better ability to support customers suffering hardship, but also increased resilience and financial wellbeing for the staff themselves.

- > AnglicareSA rolled out MoneyMinded training to 24 staff in areas exposed to high levels of financial stress, including Emergency Relief, Community Financial Services, Tenancy Services, Homelessness and Foster Care programs.
  - > As part of their Family Violence Framework, City West Water will support inclusive practices for victims, both customers and their people, including training staff to recognise and support victims of Family Violence.
  - > Flight Centre Travel Group provides extensive financial capability support through its MoneyWise Global program. In 2018 they have committed to deliver 5000 money coaching sessions and target 240 specialised consultations for staff.
- > Wannon Water is training staff to recognise and support those affected by family and domestic violence.



## Shared Research, Advocacy and Evaluation

Trailblazers value the opportunity to share research and advocacy on areas of common interest through the Community of Practice, saving time and effort.

- > HESTA sought wider Trailblazer support for their campaign to remove the \$450 monthly threshold for superannuation payments, which disproportionately impacts women.
- > ANZ's MoneyMinded Impact Report (2017) highlights the financial impacts of disability, and the role of financial education in supporting people accessing disability services.
- > WIRE's research on "Teachable Moments" for women affected by Family Violence will inform best practice in the financial services and community sectors to help protect women, re-build their finances and get back on their feet.

## Enhancing Financial Capability — the National Financial Literacy Strategy

The National Financial Literacy Strategy, led by the Australian Securities and Investments Commission (ASIC) supports a collaborative approach to improving the financial literacy and capability of all Australians. The FIAP program aligns with the National Strategy through supporting activities that strengthen partnerships and collaboration, and encourage financial wellbeing.

Over the past year, the FIAP program has fostered an increased focus on building financial capability and a number of Trailblazers have included this as a specific action. Trailblazers have expressed commitments to strengthening the financial capabilities of their customer base as well as enhancing the capabilities of their employees.

## FIAPs

# Making Financial Inclusion Everyone's Business

**Financial inclusion is often viewed as the purview of financial services providers, the government and the not-for-profit sector, but the FIAP program has been deliberately conceived to enable organisations from all sectors to better understand their own role in supporting financial inclusion and resilience, and take practical action to realise this.**

A good example of the strength of the approach to make financial inclusion everyone's business is the experience of leading law firms, **Ashurst** and **Corrs Chambers Westgarth**, who joined the FIAP program in 2017. Having developed a deeper, more nuanced understanding of the many triggers of financial exclusion and low resilience, both firms have identified many practical ways in which they can better support those 'at-risk'. They are introducing policies to enhance financial wellbeing for staff by strengthening Employee Assistance and On-boarding Programs. They are also exploring new opportunities to support financial inclusion through their pro-bono services to community partners.

The academic sector, represented by **Swinburne University** and **UNSW Sydney**, has similarly recognised the opportunity to reduce financial stress amongst their more than 100,000 students and employees. Their Foundation FIAPs address a growing awareness of financial hardship being faced by students, with actions to streamline financial assistance services, and offer capability building programs focusing on common issues faced by students including budgeting and managing debt, dealing with irregular income from part-time work, and affordable housing.



**All sectors, including corporates and the government, have a responsibility to address financial exclusion. The advantage of the FIAP program is that their actions can impact large numbers of people across different communities, not just on a one-on-one basis.**

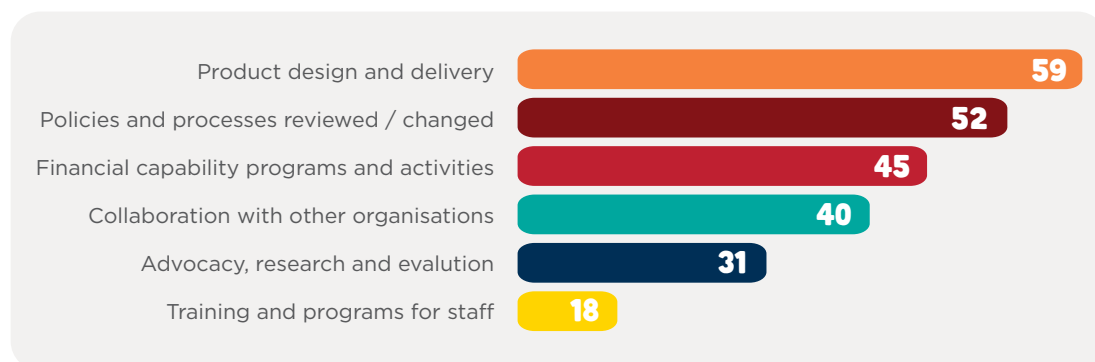
**Shelley Jones**  
Director, Good Shepherd Microfinance

## Leveraging Sectoral Strengths

The sectors who have had the longest experience with promoting financial inclusion, including financial services, utilities, government and not for profits, are naturally prevalent amongst the 30 FIAP Trailblazers. Their Foundation FIAPs reflect actions that build on their organisational strengths and complement their own strategic priorities.

### Financial Services

Number of Actions



Trailblazers from the financial services sector have focused on ensuring their product design and delivery is best able to support 'at-risk' customers.

### Utilities

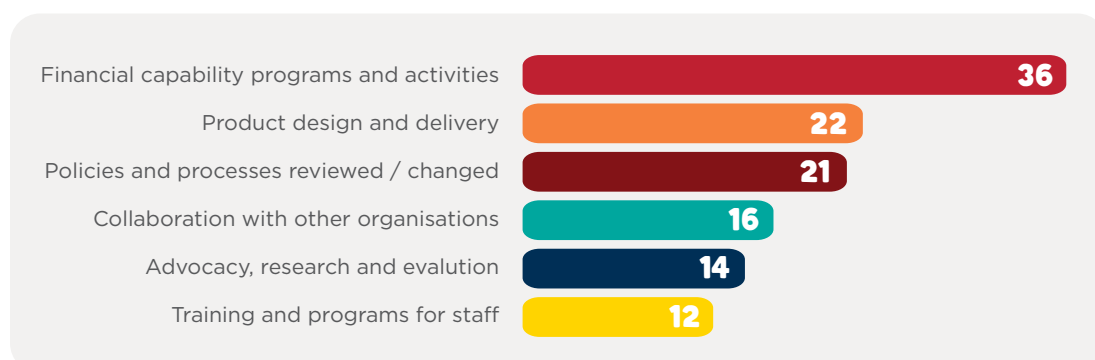
Number of Actions



FIAP actions from the utilities sector reflect a strong desire to collaborate with other organisations, based on the nature of providing services essential to life. This collaboration has included joint actions with both private and public sector partners.

### Not for profit

Number of Actions



The not for profit sector has always partnered with business in order to deliver financial capability-building programs. Actions undertaken as part of their FIAPs have strengthened their commitment to financial capability building as part of broader strategies of addressing inequality, poverty, and other issues.

## FIAP Communities of Practice:

# Sharing Experience and Knowledge

One of the most popular aspects of the FIAP program for the Trailblazers is the opportunity to participate in quarterly FIAP Communities of Practice. These allow participants to network, share learnings and challenges, hear from guest experts and explore new ways of working together including working groups focused on specific topics of common interest, partnerships, collective actions and advocacy.

Over the course of Phase One, FIAP Trailblazers participated in eight Community of Practice sessions led by the FIAP Secretariat, highlighting different aspects of the FIAP program including:

- Collaboration Between Trailblazers
- Domestic Violence and Economic Abuse
- Customer-Centric Approaches to Financial Hardship
- Building Financial Capability
- Mental Health, Financial Stress and Wellbeing

.....

A webinar was also hosted as part of Financial Inclusion Week in November 2017, exploring the links between financial inclusion and resilience. This highlighted collaborative actions being taken by FIAP Trailblazers including the Salvation Army, Westpac Group, Suncorp, and Yarra Valley Water.

Trailblazers have also contributed to five working groups, each focusing on a selected topic of common interest. These working groups offer a genuine opportunity for participants to shape the future direction and sustainability of the FIAP program. These working groups have joined together to:

- Launch an online Collaboration Portal for the FIAP Program (supported by Yarra Valley Water)
- Advocate on superannuation issues that disproportionately impact women (led by HESTA)
- Make a joint submission to ASIC's National Financial Literacy Strategy review
- Provide a proposal to the Premier's Jobs and Investments Panel on enhancing Victoria's economic performance and productivity.

**I look forward to the Financial Inclusion Action Plan opening the doors for vulnerable Queenslanders who have previously only encountered closed ones.**

**Hon. Shannon Fentiman MP**

## FIAP Program Governance and Oversight

Good governance and oversight is essential to ensure that the FIAP program achieve its ambitious objectives, whilst exercising best-practice risk and project management. The FIAP Partnership Group, comprising of the Department of Social Services, Good Shepherd Microfinance, EY and the Centre for Social Impact, enables each partner to build on their expertise including best practice approaches to program design and delivery, social impact evaluation and quality assurance, as briefly described below:



The FIAP Partnership group is assisted by an Advisory Group, comprised of leading experts in relevant fields including consumer policy and advocacy, financial counselling, gender equality, financial and employment services, and research. (See page 30). Under the guidance of an independent Chair, the Advisory Group members provide advice and recommendations to the FIAP Partnership group, based on individual experience and expertise, and a collective understanding of evidence-based practice.



**An independent Reviewer (Ashurst Lawyers) has also been appointed, to provide further governance and oversight across all aspects of the program, including partner-level governance and risk management.**

### CERTIFICATION OF COMPLIANCE

Ashurst Australia has been engaged since August 2016 to provide assurance that all aspects of FIAP program governance are managed appropriately.

Conversations with program participants at the Community of Practice sessions prompted a particular focus on the expectations that

- (i) the FIAP Program remains independent of the partners' own businesses and
- (ii) that information obtained in confidence is protected accordingly.

Taking each element of the governance program in turn, Ashurst assessed the relevant materials against accepted industry standards, tested the ways in which the policies are implemented in practice and reached a view that the governance arrangements are adequately robust and fit for purpose.

## Measuring Outcomes of Phase One:

# Centre for Social Impact and FIAP Evaluation

**Measurement and evaluation are an important part of any program. They enable us to establish progress against our intended outcomes and impact, understand where and for whom we are making a difference, as well as identifying where improvements may be made going forward.**

### The FIAP evaluation includes the following:

#### 1 Impact Evaluation

To measure progress against the intended short, medium, long term outcomes and impact of the FIAP program. This includes building a FIAP Baseline and Indicator Bank, to understand where we are now, in order to measure the progress made by the FIAP program at both a macro population-level and at a collective program level.

#### 2 Process Evaluation

To understand what is working (or not working), for whom and why; to recognise what may impact outcomes beyond the FIAP program; to identify potential challenges that may need to be addressed and opportunities to enhance future phases of the program.

In 2017, the focus of CSI's evaluation was on establishing the FIAP baseline, identifying preliminary outcomes that occurred in the first year of launching 12 Foundation FIAPs (while recognising that FIAP is a long-term program), and ascertaining challenges and lessons in the establishment and early implementation of FIAP, in order to inform future program development.

## How did we do it?

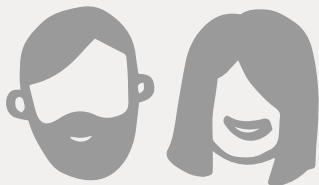
The FIAP Evaluation Plan has adopted a mixed method approach. To date, this has comprised document and secondary data analysis to establish the FIAP baseline, including analysis of data from the Australian Bureau of Statistics (ABS), the Reserve Bank of Australia (RBA), trailblazer FIAPs, trailblazer's annual reports, Reconciliation Action Plans (RAPs), and reports to the Workplace Gender Equality Agency (WGEA).

The evaluation also included primary data collection to understand early outcomes and processes. This included 28 qualitative Interviews (14 with trailblazer organisations, 14 with members of the FIAP Advisory group) and a series of short surveys, with a total of 68 responses. Separate surveys were conducted with original trailblazers, new trailblazers, Community of Practice participants and the Advisory group.

## The Baseline: where are we now?

In order to measure whether the FIAP program reduces inequalities and increases inclusive growth, financial resilience and financial inclusion, we need to understand where we are currently. This data below provides a brief insight:

**Australia's Gini coefficient (an indicator of how unequal a country's income distribution is) is decreasing (from 0.333 in 2013/14 to 0.323 in 2015/16<sup>12</sup>), but is higher than the OECD average (0.318 in 2013/14<sup>13</sup>).**



**The gender pay gap is decreasing but remains high.**

**17.3%** gender pay gap, based on salary remuneration<sup>14</sup>

**22.4%**<sup>10</sup> Total remuneration gender pay gap

### Economic Inequality

Women are more likely to be underemployed than men

Men	Women
<b>7.0%</b>	<b>10.8%</b> <sup>14</sup>

Superannuation is also highly gendered.

<b>74.8%</b>	<b>68.6%</b> <sup>15</sup>
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Superannuation coverage

Mean Superannuation balance

<b>\$153,000</b>	<b>\$107,000</b> <sup>15</sup>
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**2,400,000**

Adults in Australia are financially vulnerable.<sup>1</sup>

**194%**  
average house debt / disposable income

Ratio of household debt to disposable income a 10 year high.<sup>9</sup>



**One in Two**

people have less than 3 months income saved. (45.5% in 2016, down from 46.6% in 2015)<sup>1</sup>

## FIAP Evaluation:

# Lessons from the Trailblazer Community

The following sections briefly describe the early results from the 12-month evaluation of the FIAP program including early positive outcomes that future phases can build upon, as well as opportunities for improvement which address common challenges faced by Trailblazers.

Table 1

## Early Positive Outcomes

### Targeted FIAP Actions are Addressing Needs

FIAP actions are addressing the needs of people identified as financially excluded or vulnerable, including women, Aboriginal and Torres Strait Islander people, people on low incomes or in financial hardship, people with a disability, and people experiencing domestic or family violence. Actions are also aimed at shifting the dial in key strategy areas, with almost all Trailblazers focused on:

- Improving access to financial products and services
- Supporting customers in times of need
- Improving the capacity, attitude and behaviours of staff to support financially excluded and vulnerable groups
- Building the financial knowledge, skills and capabilities of vulnerable groups.

### FIAP Profile and Pipeline is Building

- 12 Trailblazers launched Foundation FIAPs in 2016, 18 in 2017, and a waiting list of 13 'Friends of FIAP' have expressed interest in joining.
- Newer Trailblazers are more likely to find out about the FIAP program through other Trailblazers, rather than the Partnership Group.
- 72 percent of Trailblazers report increased awareness and understanding of financial inclusion and resilience within their organisations.
- As at early December 2017, the FIAP webpage on the Good Shepherd Microfinance website had 6,195 views, including 4,695 unique page views and an average visit length of 2 minutes and 56 seconds.<sup>16</sup>

### Collaboration is Increasing

Increasing Trailblazer collaboration and facilitating collective actions is a critical component of the FIAP program. Interviews with trailblazers indicated a strong desire to collaborate and learn from others, demonstrating that the FIAP program is more than the sum of its parts. 76 percent of survey respondents said they had engaged with other Trailblazers beyond the formal mechanisms the FIAP program facilitates (e.g. Community of Practices and working groups). The value of sharing insights with each other 'makes [our] collective effort stronger' says a Trailblazer.



**Table 2**

## Ongoing Challenges and Opportunities to Improve

### Organisational commitment and resourcing (time and funding)

Trailblazers must ensure ongoing internal commitment and resourcing for their FIAP efforts, which is critical both in establishing a FIAP and implementing actions.

FIAP actions which are aligned to organisational strategy will increase the likelihood of continued commitment.

### Setting a Clear Roadmap

Ensuring that FIAP stakeholders have clarity on the future roadmap of the FIAP program is important, whilst acknowledging that the value proposition might be different for different sectors.

### Role of the FIAP Secretariat

Ongoing support from a FIAP Secretariat is instrumental to drive the program into the future, support Trailblazers in developing their FIAPs and facilitating ongoing collaboration.

### Identifying and measuring impact

Continued commitment for the FIAP program is likely to depend on achieving its short-term outcomes, yet attributing population-level change to actions is challenging. Instead, FIAP Evaluation can point to program contribution by:

- > measuring collective FIAP actions through outcomes measurement at an aggregated organisational level
- > map other factors that could be contributing to change.

This approach requires ongoing commitment from Trailblazers to collect and report on outcomes data.

## What's Next for the FIAP Evaluation?

Future FIAP phases will see the FIAP evaluation continuing to collate and analyse national and Trailblazer-level data. This data will be mapped against the FIAP baseline to measure progress against the intended outcomes. In order to make the reporting process as easy as possible for FIAP participants, CSI intends to simplify and streamline the FIAP Indicator reporting tool.

Outcomes measurement will continue to be accompanied by broader evaluation methods in order to understand the contribution of the FIAP program to any population changes (for example, broader economic or policy changes that may also impact on financial inclusion and resilience).

The evaluation will also continue to monitor other aspects of the FIAP program including the extent to which

- a) the awareness and understanding of financial inclusion and resilience, and the FIAP program generally, are increasing;
- b) emulation of FIAP actions is occurring; and
- c) collaboration within the FIAP program is occurring.

## Providing Evidence of Action:

# EY and FIAP Quality Assurance

**As part of the FIAP Program Implementation Team, EY's primary role is to provide Quality Assurance (QA)\* advice and support to assist the consistent development of and reporting against FIAPs and to capture opportunities for improvement for further development of the program.**

**EY has worked with the Program Implementation Team and Trailblazers to develop a QA framework including:**

- 1 Process QA:** Assessment of the process of developing a FIAP
- 2 Outcomes QA:** Assessment on the progress toward completion of the FIAP
- 3 Feedback** across both the FIAP development process and progress reporting, which together with the assessment drives insights for ongoing improvement of the FIAP Program.

Given this is the first year of reporting for actions committed by FIAP Trailblazers, the level of consistency assessed was in line with expectations. A number of opportunities to improve the FIAP Program were also identified. Observations from the two QA processes for 2017 are provided below:

## Process Quality Assurance

**For the Process QA, EY conducted interviews and considered commentary and documentation from each Trailblazer to check alignment with the process described in the FIAP Toolkit. This resulted in the following observations:**

- The first group of 12 Trailblazers were interviewed in May and June 2017. As the process for formulating a Foundation FIAP and the supporting Toolkit were still under development while these Trailblazers were developing their FIAPs, a full assessment against the final process was not possible. Through these interviews, a number of improvements to the Toolkit were identified, including instructions to document work conducted in developing a FIAP and a self-assessment questionnaire at the end of each step.
- The second group of 18 Trailblazers were interviewed in January 2018. Overall, the Trailblazers had followed the general process in the Toolkit with some variations. The first of three steps (including identifying stakeholders, risks, current responses, and opportunities) had the highest level of alignment, with 77 percent following the process in full and another 12 percent following it with minor deviations. The remaining two steps (determining materiality and scope; mapping actions to FIAP Action Areas) had lower alignment, with Trailblazers modifying approaches to suit organisational context or reduce complexity.
- A number of further improvements were identified to the FIAP development process and Toolkit, including providing clear guidance regarding essential versus optional steps in the process. This is critical to allow enough flexibility to account for the diversity of types, sizes and maturity of participating organisations. Small not-for-profits with a mission to improve financial inclusion could potentially follow a different process entirely, focusing on how to deliver existing services more effectively and grow their impact.

\* The term Quality Assurance is used in the FIAP program to provide a level of assessment and consistency over the FIAP process and outcomes. The term Quality Assurance does not refer to any conclusion or opinion being expressed in accordance with Australian Auditing Standards.

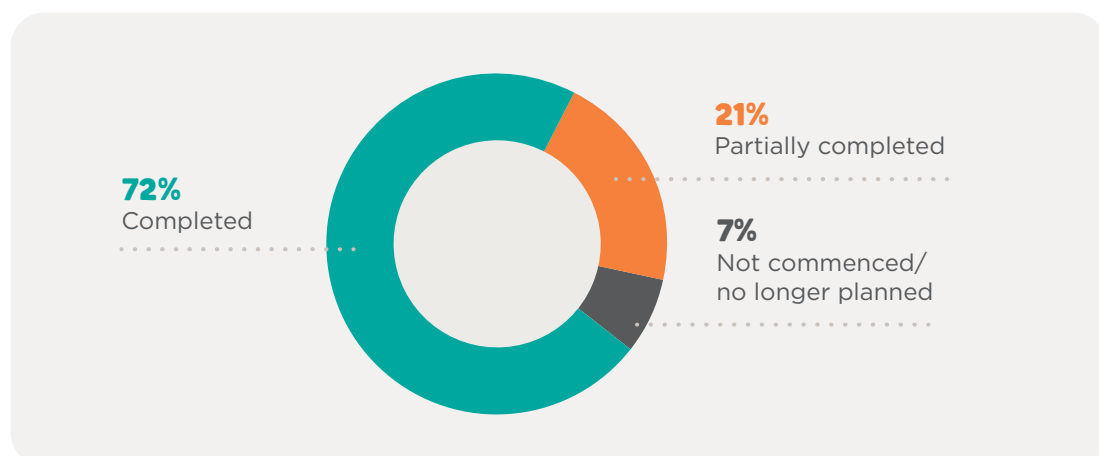
## Outcomes Quality Assurance

**For the Outcomes QA, EY conducted interviews and considered commentary and evidence from each Trailblazer to test the consistency and transparency of progress reporting and whether reporting was supported by evidence.**

**This resulted in the following observations:**

- The first group of 12 Trailblazers were interviewed in November and December 2017. Minor differences were identified in interpretation and application of completion status, e.g. 'Complete' vs 'Partially complete'. The interviews and assessment resulted in 35 changes to action completion status, or 15 percent of the total number of actions.
- 72 percent of Trailblazer actions had been completed, and 21 percent were underway, as described in the diagram below. Given the "Try, Test and Learn" approach adopted, 7 percent of the actions previously considered, were no longer planned or not yet commenced.
- EY found most Trailblazers had processes in place to document evidence of their action completion. The majority of actions were supported by evidence such as product launch materials, training materials, email communications, websites, newsletters, meeting minutes, and internal reports. Others were partially supported, such as only part of the multi-step action being documented, or only a sub-set of the targets having evidence.
- Evidence and reporting processes were notably stronger for those organisations that undertake existing non-financial reporting. A number of these had non-financial assurance provided over FIAP commitments also reported in other public disclosures, which added confidence to these claims. In future years of the FIAP Program, Trailblazers may be encouraged to report their progress as part of their own disclosure process and timelines (i.e. Annual or Sustainability Reporting), rather than to align with the FIAP Annual Report.
- Further refinements were identified to the Toolkit to improve the wording of action statements and outputs in order to support future progress reporting.
- The second group of 18 Trailblazers will be interviewed for Outcomes QA in November/December 2018 as they complete the first year of their FIAP.

### FIAP Completion Status



## Linking FIAP Actions to Future Impacts:

# The FIAP Theory of Change

The FIAP Program is designed to weave collaborative actions taken by Trailblazers from across multiple sectors together, using a framework that can enable the system-wide change needed in our society, to achieve greater financial inclusion and resilience. In order to monitor and measure progress towards this goal, the program includes a Theory of Change that describes how linkages between inputs (the resources that have gone into the program), activities (what the program does), outputs (the number of people, places, supports, activities etc. that the program has produced), and outcomes (what changes have occurred) lead to impact (long term change).

The FIAP theory of change described overleaf identifies a range of inputs, activities and processes required from all FIAP program participants, to support the outputs (program engagement, communication and governance, as well as Trailblazer actions). It also outlines the outcomes we need to measure in order to know if the FIAP is successful in achieving the desired impact (financial inclusion and resilience, reduced inequalities and inclusive growth).

Change takes time, hence we identify short, medium and long-term outcomes that we hypothesise will lead to our intended impact. This hypothesis has been continually tested and refined over the course of Phase One of the FIAP program, adopting a 'Try, Test and Learn' approach. Progress against the identified outcomes is also being continually measured, as part of the ongoing FIAP Evaluation.

The Phase One FIAP Evaluation shows that there is strong evidence to demonstrate good progress towards several short-term outcomes, including a better understanding of the barriers to financial inclusion and resilience; strategies to address economic inequalities; increased intra and inter-sector engagement and collaboration; and increased awareness of the FIAP program and its goals.

Other areas of progress include targeted and scalable resources to build financial capability; improved support for 'at-risk' groups; enhanced awareness and access to appropriate financial services; increased understanding of economic participation and status; Trailblazer willingness to collect more data; and partnerships to better support vulnerable groups.

## Community Recognition for the FIAP Program

Good Shepherd Microfinance was selected as a finalist for HESTA's Community Sector Awards in the "Outstanding Organisation" category, recognising their role in facilitating and implementing the FIAP Program.

HESTA CEO, Debby Blakey, said the national finalists displayed outstanding leadership in addressing social justice in their communities, and in developing services that promote equality.

The "Outstanding Organisation" category was won by WEstjustice, for establishing the 'Employment Law Project' which helps migrants and refugees living in the western suburbs of Melbourne improve employment outcomes.



# Theory of Change

## SHORT TERM OUTCOMES

12 Months

- Better understanding of barriers to financial inclusion & resilience\*
- Staff better able to identify & support vulnerable groups
- Targeted & scaleable resources to build financial knowledge/ skills
- Improved support for 'at-risk' customers, staff, suppliers and wider community
- Appropriate financial services are available, accessible & known
- Strategies to address economic inequality\* (e.g. equitable pay, mentoring & superannuation)
- More understanding of economic participation & status (eg. employment, procurement, supply chain)\*
- Increased awareness of FIAP initiative and its goals
- Increase intra- and inter-sector engagement
- FIAP partners commit to data collection

## MEDIUM TERM OUTCOMES

1-3 Years

- Pathways/tools for ongoing support for vulnerable groups
- More partnerships & collaboration to support vulnerable groups
- Build financial knowledge and skills\*
- Increased protective economic supports (eg. savings, retirement planning, superannuation)
- Improved access to appropriate financial products & services\*
- Policies, processes & actions implemented to address economic inequalities\*
- Increased equal opportunities & asset building - individuals and businesses
- Emulation of FIAP actions by others: advocacy for policy & regulatory change
- Effective data collection in place for FIAP

## LONGTERM OUTCOMES

5 Years+

- Improved social, community, government support\*
- Improved financial behaviour and capabilities\*
- Increase in economic resources\*
- Informed decision-making, less use of expensive credit\*
- Reduced income inequality\*
- Close the economic gender gap
- Growth in economic resources, equitable distribution\*
- Collective actions become industry norms and influence structural change

## IMPACT

Increased Financial Resilience

Increased Financial Inclusion

Reduced Inequalities & Increased Inclusive Growth

- Red outcomes map directly towards achieving financial resilience
- Yellow outcomes map directly towards achieving financial inclusion, and indirectly to financial resilience
- Green outcomes map directly towards reducing inequalities and increased inclusive growth
- Orange outcomes are indirect outcomes that will support FIAP and facilitate impact

\*especially for groups at risk of financial exclusion and hardship

Note: While FIAP seeks to contribute to change in macro (population level) outcomes for Australia (e.g. Gini-co-efficients and other determinants of economic growth and overall population level inequalities) it is not possible to attribute them directly to FIAP. Changes can only be tracked at a Trailblazer level based on their activities and intended target groups, by monitoring changes for these groups over time.





**FIAPs into  
the Future**

# Next Steps: Reaching Critical Mass and Moving towards Sustainability

The release of this report marks an important milestone for the FIAP program, which is the successful completion of Phase One of what the FIAP Partnership group envisage is a four-phased program, extending over a 10 year horizon.

This report also showcases the Foundation FIAPs of 18 new Trailblazer organisations who joined the FIAP program in 2017, the Outcomes Quality Assurance for the Foundation FIAPs of our first 12 FIAP Trailblazers, as well as the program-level evaluation undertaken by the Centre for Social Impact.



The FIAP partners, in collaboration with the growing community of 30 Trailblazers, have already started preparing for Phase Two of the FIAP Program, when the FIAP program will significantly scale-up reach and impact, by expanding membership to 200 participants over a three year horizon. A transition period of 12 months (July 2018 to June 2019) will enable the FIAP partners to incorporate key learnings into the program design, and develop sustainable operating and funding models to facilitate this rapid expansion.

We envisage that Phase Three (Community-led) will see the FIAP program engaging up to 750 members, and allow local organisations and communities to adopt the program to suit their own local context over a five year horizon. After this, the FIAP program will become fully self-sustaining, so that by the end of this phase, the principles of the FIAP program will have been fully embedded into society, and addressing financial exclusion becomes part of the “new normal” of how organisations operate in Australia.

## Gearing Up For Change: Lessons Learned During Phase One

The Foundation FIAPs have given Trailblazers a significant opportunity to consolidate and review existing activities related to financial inclusion, as well as develop or extend new activities guided by the FIAP framework. The process evaluation and quality assurance undertaken by CSI and EY respectively, have highlighted many early positive outcomes including the robustness of the FIAP framework, the essential support from the FIAP Secretariat in assisting participants to develop and monitor their FIAPs, and the many opportunities for collaboration provided to participants.

Recommendations for future improvement have also been highlighted, including reducing the internal resources required to develop a FIAP, and ensuring the future roadmap and value proposition are clearly articulated. In addition, whilst each Trailblazer has independently developed their own FIAP, a number of key themes have emerged, which could pave the way for more co-ordinated actions within and across industry sectors.

The FIAP Evaluation shows that FIAP actions are addressing the needs of those identified as financially excluded or vulnerable, including women, Aboriginal and Torres Strait Islander people, people on low incomes or in financial hardship, people with a disability, and people experiencing domestic or family violence.



Actions are also aimed at shifting the dial in key strategy areas, with almost all Trailblazers focused on:

- Improving access to financial products and services
- Supporting customers in times of need
- Improving the capacity, attitude and behaviours of staff to support financially excluded and vulnerable groups
- Building the financial knowledge, skills and capabilities of vulnerable groups.

The ability to facilitate collective action by Trailblazers, is a critical component of the FIAP program. The FIAP Evaluation shows that the FIAP program is more than the sum of its parts, as Trailblazers have a strong desire to collaborate and learn from others. Sharing insights with each other ‘makes [our] collective effort stronger’, says a Trailblazer.

## Foundation, Build and Embed: FIAPs into the future

The FIAP framework is grounded in the ‘Foundation’ FIAP, which was co-designed with the 30 FIAP Trailblazers, to enable them to review, test and explore actions intended to realise greater financial inclusion and resilience within their own sphere of influence.

The next stage in the evolution of the FIAP journey will involve the co-design of ‘Build’ FIAPs, which will feature a greater emphasis on S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound) goals and indicators, scaling-up reach and impact of action, organisational-level indicators, more robust measurement, and member-level reporting. Building on the learnings from the Foundation FIAPs, these FIAPs will enable financial inclusion and resilience to become a greater part of everyday business decision-making.

Those organisations which are willing and able to progress from ‘Build’ FIAPs will be engaged in the co-design of ‘Embed’ FIAPs, which will likely feature intra and inter-sector comparative benchmarks; balanced scorecards and other best-practice tools to catalyse broader change. These FIAPs will embed a focus on greater inclusion into organisational culture, and the very DNA of our society.

## Opportunities for Future Actions

The current Trailblazers represent a significant proportion of Australian economic activity, but there remain many opportunities to further extend the FIAP program so that more customers, employees, suppliers, and communities can share the benefits of financial inclusion. In particular, the following strategies offer significant opportunities to extend the reach and impact of the FIAP program:

- Sector-wide initiatives led by a FIAP ‘champion’ can bring together multiple players within an industry, for example utilities, legal firms, or those involved in delivering social services. Anecdotal feedback from prospective participants for the next phase of the FIAP program (the Friends of FIAP) indicates that they are likely to join because of referrals or examples set by existing Trailblazers. Many Trailblazers have also offered to explore such opportunities further, in future phases.
- Reaching as-yet under-represented sectors of the Australian economy such as retail, healthcare, primary resources, construction, agriculture, manufacturing, technology and telecommunications, presents significant opportunities by including their customers, employees and other stakeholders.
- Place-based and Region-based activities that focus on bringing financial inclusion to a specific location or place of disadvantage, for example working with regional entities to tackle local issues of unemployment) can significantly drive more inclusive growth. See the breakout box for a Place-Based FIAP pilot commencing in Geelong in early 2018.
- Topic-based approaches can also enable participants to employ the lens of financial inclusion to address specific issues such as affordable housing, digital exclusion, mental health, family and domestic violence, the needs of vulnerable elderly people or others in future phases.

## Place-Based Financial Inclusion

In early 2018, Good Shepherd Microfinance, in collaboration with GROW (G21 Regional Opportunities For Work) and other key local stakeholders, will co-design the first place-based FIAP in Geelong (Victoria) thanks to a grant received from the Helen McPherson Smith Trust. GROW supports local G21 businesses and organisations to improve economic and social outcomes, support social enterprises and not-for-profit businesses which deliver social outcomes, and to strengthen employment and training opportunities for targeted job seekers.

A place-based FIAP will complement GROW and other G21 initiatives, by working with local organisations to take practical actions to enhance financial inclusion and resilience in the region. The pilot will build on learnings from the national FIAP program, and encourage stronger links with Trailblazers who wish to promote greater financial inclusion for customers, staff, and suppliers and community partners based in the Greater Geelong region.

## Developing a Sustainable Program

The first Phase of the FIAP Program was made possible through the financial support of the Australian Government and in-kind support of the Partnership Group and participating Trailblazers. Ensuring that the program is able to continue and grow in a sustainable manner will remain a significant focus of attention for 2018 and beyond.

### Critical Mass leading to Collective Impact

The opportunity to collaborate and learn from others is one the biggest benefits identified by Trailblazers in their FIAP journey to date. As the program scales up to achieve Critical Mass in Phase Two, we expect to see more opportunities for partnerships between participants, and the emulation of their activities by non-participants. The growing FIAP evidence base and ability to better measure collective impact, will also facilitate more collective actions, significantly enhancing the benefits flowing to vulnerable people, their families and communities.

As the program grows, economies of scale will reduce costs and lower barriers to entry, hence our aspiration is that, in time, the FIAP program will become community-led, enabling local organisations and communities to adopt the program, customising it to suit their local priorities and contexts. Once this happens, actions to enable financial inclusion and resilience for all stakeholders will become a part of the DNA of Australian society, negating the need for a specific program such as ours to exist.

### Shared Funding for Sustainability

We recognise that the systemic change for which the the FIAP program is aiming takes dedication, time, and resources. Economic modelling undertaken by the FIAP program demonstrates that by working together in this manner over the longer term, significant benefits can flow to all sectors. The FIAP program is therefore exploring shared funding models, which will allow the program to access a diverse range of funding sources across multiple sectors for future phases, to ensure the future sustainability of our efforts.

As we draw Phase One of the FIAP program to a close, we are proud to acknowledge the outstanding efforts of the FIAP Trailblazers, Partners and Advisory Group members, and other supporters who have all contributed so generously to the program's success to date. In the words of Her Majesty Queen Máxima of the Netherlands, UN Secretary General's Special Advocate for Inclusive Finance for Development:

**“We need to learn from each other, and we need to build partnerships. In the end, it does not matter who does it, the banks, the mobile companies, NGOs - as long as we all help, by offering opportunities to people in a responsible, affordable and sustainable way.”<sup>17</sup>**

# Guidance from the FIAP Advisory Group



**Delia Rickard**

**Deputy-Chair of the Australian Competition and Consumer Commission**

No one sector can create a more equitable, resilient, financially inclusive Australia acting alone. It is only by bringing together the private, government, education and the not-for-profit sectors that we can truly work towards holistic solutions.

FIAPs are designed to do just that. We already see 30 organisations committing to 580 actions aimed at making a real difference to the resilience and inclusion of those who are the most vulnerable within our society.

By collaborating on projects and learning from each other, along with employing the “Try, Test and Learn” methodology, FIAP trailblazers are moving beyond good intentions to programs and initiatives that I hope we will be able to demonstrate are delivering concrete results in providing people with better opportunities and skills to live happier, inclusive fulfilling lives.



**Amanda McIntyre**

**Partner, PricewaterhouseCoopers**

I am proud to continue my association with the FIAP Program and its commitment to increasing women's economic empowerment and increasing social wellbeing. Ensuring more organisations in society support financial inclusion contributes to ensuring the most vulnerable in our society are safeguarded, and have the support to self-determine and flourish. It has been fantastic to see the growth in the FIAP program in 2017, and the increasing number of trailblazers joining. I look forward to my continued association with the Advisory Group.



**Christine Nixon**

**Chair, Good Shepherd Microfinance**

As a passionate advocate for enabling all Australians, particularly women and families experiencing financial hardship, to move away from crisis towards stability and financial independence, I congratulate the 30 FIAP Trailblazers for the practical actions they have developed through the FIAP program. Everyone has a role to play in realizing greater inclusion and resilience – and the FIAP Trailblazers have done a great job in demonstrating that it also makes good business sense to do so. I look forward to inviting more organisations to join our efforts, as we work to expand the FIAP program and its multi-sector impact.



**Diane Tate**

**Executive Director – Retail Policy, Australian Banking Association**

The Australian Banking Association welcomes the progress made by the FIAP program. This program demonstrates how different sectors including the government, the community sector and corporates can work together to achieve real and significant social change. Banks in particular have a pivotal role in ensuring that all Australians have access to safe and affordable financial products and services, and the FIAP program has offered the industry a great opportunity to collaborate with others, to work towards this commitment.



### **Fiona Guthrie**

#### **CEO, Financial Counselling Australia**

This year has seen the FIAP program really begin to take hold. While some initiatives in financial inclusion action plans may have occurred without the FIAP umbrella, it is pretty clear that a number are occurring because of it. That is a really good thing. Another really important outcome has been the linkages developed between organisations, where research and ideas are shared and in some cases, collaboration on joint projects. That is incredibly exciting.



### **Gerard Brody**

#### **CEO, Consumer Action Law Centre**

At Consumer Action, we consider that an effective consumer protection framework should not only adequately protect consumers but support a just marketplace where suitable products and services are accessible and useful to all.

Financial Inclusion Action Plans are at a catalyst for businesses and others to design and distribute products and services that are useful to those experiencing disadvantage, a group that may not be the most profitable. Big institutions can sometimes lose focus on these groups, and even limit access to products and services essential for wellbeing. These include affordable utilities, appropriate credit, and insurance that covers the important risks.

The achievements of many businesses thus far are encouraging. The work on more appropriate products to deal with funeral and related costs in Aboriginal and Torres Strait Islander communities, the increased focus on supporting people experiencing economic abuse, and efforts to simplify energy and credit products so they are more suitable are all welcome developments.



### **Julie Kun**

#### **CEO, WIRE**

WIRE understands that without financial inclusion opportunities are limited, often leading to a lifetime struggle and hardship. For women there are additional barriers to financial inclusion such as the gender pay gap and family violence that can only be overcome through cultural and systemic change. That is why I am thrilled that I can represent WIRE as a member of the FIAP Advisory Group.

Whilst WIRE has worked for over 10 years in women's financial inclusion we recognise that the mechanism to achieving financial inclusion does not lie with one organisation but with governments, the business sector, academics and the community sector together. FIAP provides an opportunity to bring a diverse range of people and organisations together to reduce financial exclusion.



### **Keith Besgrove**

#### **Senior Policy Advisor, CEO Office Energy Consumers Australia**

The crisis in energy affordability seems to be in the news almost every day. In response, Governments and the community sector are doing a lot to assist disadvantaged households, but we also need energy retailers to do their share of the heavy lifting to enable Australians to use energy efficiently and affordably. This is why we are pleased to see a growing number of energy retailers developing Financial Inclusion Action Plans, which will help to make a real difference to consumers who find themselves in financial difficulty.



## **Molly Harris Olson**

**CEO, Fairtrade ANZ**

We are pleased here at Fairtrade ANZ to join the Financial Inclusion Action Plan program, and to be part of the FIAP community. Financial Inclusion is a critical issue every day to each of Fairtrade's 165 million small farmers and workers in the poorest parts of the world. Joining the FIAP community is an important move to ensure their voices are heard.

Aware that FIAPs support the work that Fairtrade is already doing, taking a systematic approach through FIAP will enable us to have a greater impact. We are proud to work with the FIAP Advisory Group to better support our Producers to eliminate poverty, realise their financial goals and help them take control of their future.



## **Peter Kell**

**Deputy Chair, Australian Securities and Investments Commission**

It is important that all Australians have access to appropriate financial services and products. The FIAP Program highlights the benefits of a wide range of organisations coming together to promote and support financial inclusion. I encourage Trailblazers to use ASIC's MoneySmart website and share the information and resources to further their efforts.



## **Professor Ross Buckley**

**King & Wood Mallesons Professor of International Finance Law, UNSW Sydney**

It is expensive to be financially excluded. One pays much more to do simple things that most of us take for granted. My team's research focuses on extending the benefits of financial inclusion to those overlooked by financial services providers. In particular, in a series of major papers on FinTech, RegTech and blockchain, we explore the opportunities technology presents to make the provision of financial services affordable and expand their reach.

We also continue to work with central banks in developing countries assisting them to more effectively regulate digital financial services so as to promote financial inclusion. Working with the FIAP program connects our research with organisations who are focused on improving financial inclusion in Australia.



## **Rob Whelan**

**Executive Director and CEO, Insurance Council of Australia**

The Insurance Council of Australia (ICA) is pleased to support the FIAP program. It acknowledges the important work Good Shepherd Microfinance, in partnership with a range of organisations, is striving to achieve. The FIAP program is a demonstration of the effectiveness of a multifaceted and cross-sectoral approach to improving financial inclusion in Australia.

For the general insurance industry, the FIAP program sits alongside a suite of initiatives aimed at improving access to insurance. These include the provision of resources to help consumers better understand insurance; encouraging government to invest in mitigation; and measures to help strengthen trust and confidence in the industry. The ICA is pleased some of its member companies are FIAP trailblazers, and looks forward to ongoing collaboration with this important piece of work.



### **Professor Roslyn Russell**

**Professor, School of Economics, Finance and Marketing, RMIT**

FIAP has harnessed the power of many of Australia's most influential organisations in working towards financial inclusion. These trailblazing organisations have stepped up to acknowledge their responsibility in improving the financial wellbeing of Australians. Through the FIAP program, these organisations are able to join together to research and understand problems of financial inclusion, then take action. It is only through the leadership and investment of business that financial inclusion activities can ever achieve scale and true impact.



### **Sally Sinclair**

**CEO, National Employment Services Association (NESA)**

Breaking the vicious cycle of employment disadvantage experienced by many groups in society, including Indigenous people, is paramount to opening up opportunities for inclusion in the economic and social wealth of Australia, and improving individual and community wellbeing. The FIAP Advisory Group provides an opportunity to work collaboratively with government, community and private sectors to implement effective solutions that support improved employment outcomes and financial wellbeing for people experiencing disadvantage, including Closing the Gap for Indigenous Australians.



### **Shelley Jones**

**Director, Good Shepherd Microfinance**

Good Shepherd Microfinance and Good Shepherd ANZ have been providing programs that support individuals and families to achieve better financial inclusion. We have a No Interest Loans Scheme (NILS) that is accessible in 604 locations across Australia, even in remote indigenous communities. We also offer savings schemes and other loan schemes including our Good Money stores which provide low interest loans which compete against the growing fringe lending sector. These programs are supported by and delivered in partnership with the Federal and State Governments and National Australia Bank.

Good Shepherd Microfinance is now engaging the corporate sector to reach more people in financial need, including financial institutions, not-for-profit organisations, utilities, education and legal organisations and state governments. The advantage of this partnership is that it can deliver programs and services across large communities, not just on a one-on-one basis.



### **Trish Bergin**

**First Assistant Secretary, Office for Women, Department of the Prime Minister and Cabinet**

Financial hardship can affect all Australians, but women are especially vulnerable. Increasing financial inclusion for women can lead to increases in gender equality, women's safety, and economic security. The FIAP program recognises that both the public and private sector have an important role in addressing these topics. I am pleased to be a part of the community of people and organizations working together in the FIAP program.

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