

Financial Inclusion Conference 2022

BYO partners: Building a coalition when delivering solutions to complex financial exclusion challenges

February 2022

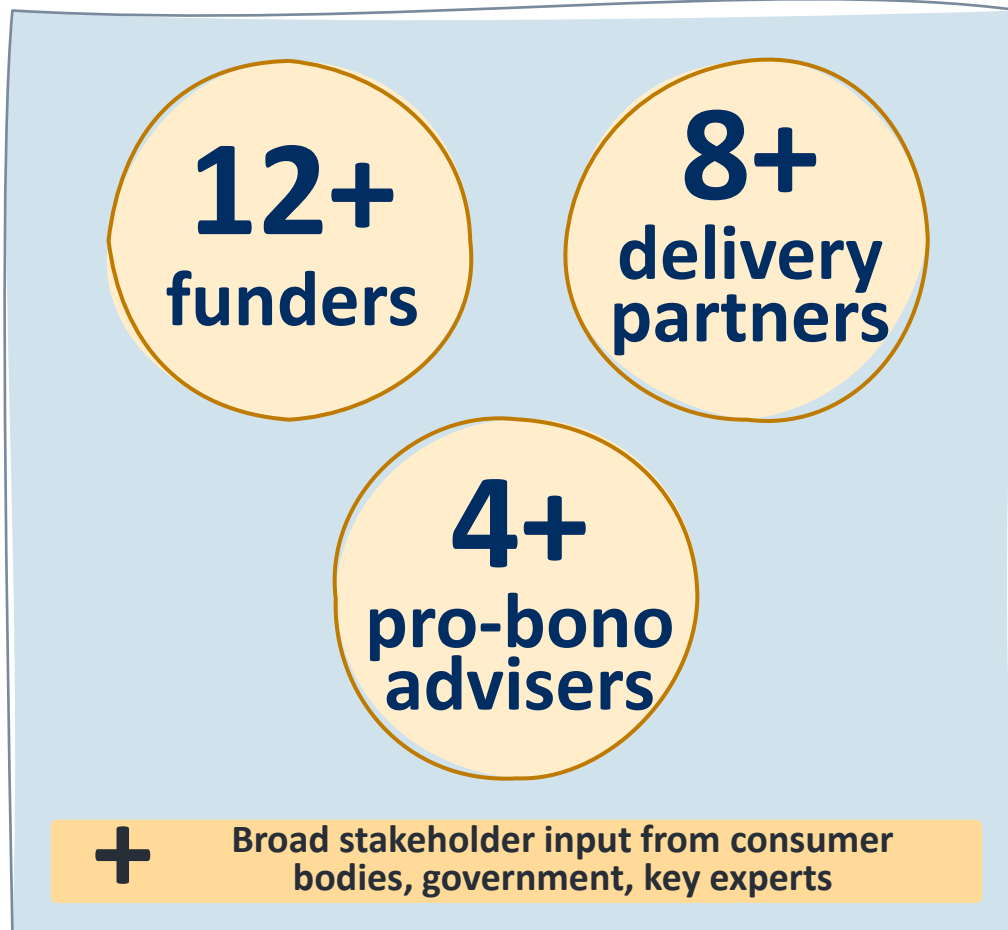
What we're going to cover today

- Why work in coalition with partners?
- Developing a coalition and identifying partners
- Working in a coalition
- ...and if we have time, reflect on the role of outcomes to align the coalition.

Why work with partners?

- Working with partners can be challenging and take longer – so why take this path?
- Complex problems invariably require complex solutions - financial wellbeing initiatives have to be carefully designed, sensitively constructed, methodically implemented
 - Broaden buy-in by creating a coalition
 - Better informed design, more user-focused
 - Unlikely that any one actor brings all the requisite skill sets
 - More likely to 'fit' within the existing landscape
 - Makes the solution more 'sticky'
 - De-risk by spreading responsibility
 - Attractive to funders

Case study: A complex solution that seeks to disrupt two consumer markets



Creating a national charitable hub to drive education & awareness

Facilitating the set-up of new non-profit enterprises in communities to improve affordability

Developing a new financial safety net & product that better responds to consumer needs

Funerals financial hardship initiative:

Helping families through loss, without experiencing financial hardship

The impetus for change

Funerals are very costly. For those living in disadvantage, a funeral can cost up to 30-40% of annual earnings. As a result of the financial stress created when a loved one dies, many Australians sign up to costly funeral insurance – especially those in First Nations communities.

As highlighted by the banking Royal Commission, funeral insurance and funeral benefit products are not always in the best interests of an individual - and there have been a range of exploitative providers.

It was clear that poor outcomes would continue for community members without a disruptive solution. This would require many parties to come together – so a coalition of corporate, community bodies, government and regulators has been convened by Social Ventures Australia (SVA) to tackle this head on.

The initiative is focused on two key objectives:

- Reducing the cost of funerals by replicating a successful, non-for-profit community funeral model to communities across Australia (Tender Funerals)
- Offering a new way to prepare financially for a funeral, with a philanthropic safety net for those that save in a dedicated funeral savings product.

Both parts of the initiative are focused on giving back control to communities so they can determine how they farewell a loved one.

A new and fair way to prepare financially

To respond to widespread concern about financial products, the **Funeral Saver Safety Net** has been created over three years, informed by extensive consultation. The Safety Net:

- Encourages people to start saving for funeral costs & provides peace of mind as they start savings journey.
- They commit to regular saving for 5-7yrs into a dedicated funeral savings vehicle.
- If the person dies before they reach \$5,000 in savings, a Safety Net contribution will be made to family to make up gap between savings and \$5,000.

This gives control back to individuals. They only need to pay in for the savings period – not being stuck paying their entire life. And get back every dollar they put in *plus* interest.

The Safety Net is funded by donations held in the Funeral Benefit Trust. The Trust appoints a financial services organisation to administer the program. Australian Unity (a member-owned, non-profit financial services provider) has been appointed to administer the Safety Net and provide a dedicated funeral savings product.

The Safety Net program will be available nationally from mid-2022. Community organisations such as financial counsellors & ACCHOs will assist individuals to access it.

Making meaningful, affordable funerals available to communities

Tender Funerals set up non-profit funeral services in Port Kembla NSW five years ago. To make this successful model widely available, a national charity, Tender Funerals Australia was established in 2020 to:

- Support communities across Australia to establish and run a non-profit funeral service.
- Build awareness around end-of-life rights and options, including how to pay for a funeral.

Tender is already working with seven communities to establish a community-led, non profit funeral service.



Together, all the new community led sites will enable 1,000 affordable funerals each year, saving over \$4m in funeral related costs per annum.

The first site, Tender NSW Mid-North Coast, will begin offering affordable funerals in mid-2022, followed by ACT /Queanbeyan.

What we've learned

- After ~3 years of development work and being close to launching, one of our key conclusions is that these complex endeavours can best be achieved with a coalition – a network of different types of partners:
 - Funding partners
 - Delivery partners
 - Advisors
 - Challengers
 - Champions
 - ...and more

So what does it take to make a coalition work – our learnings from working with a broad range of partners (Part 1)



- Collaborate across sectors (non-profit, government, commercial) and cross-domain
- Ensure multi-year, flexible funding is in place
- Identifying partners can take time – look for connection with the overall outcomes, values alignment, timing, working styles. Understand the rest of their world and how your work may interact/be affected by this
- Structure roles to suit partners' expertise, needs and incentives – find the right part of the network for them, which also includes who they are grouped with.

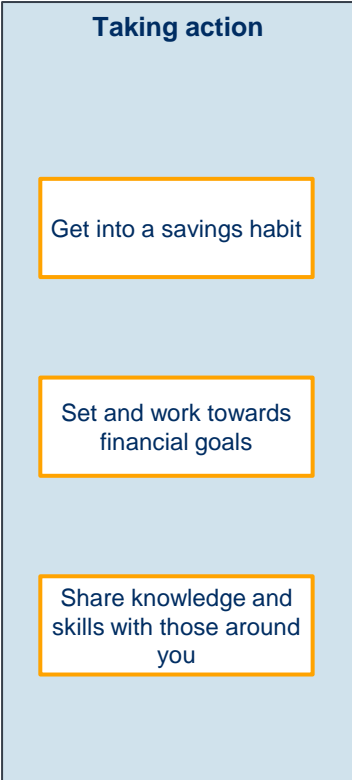
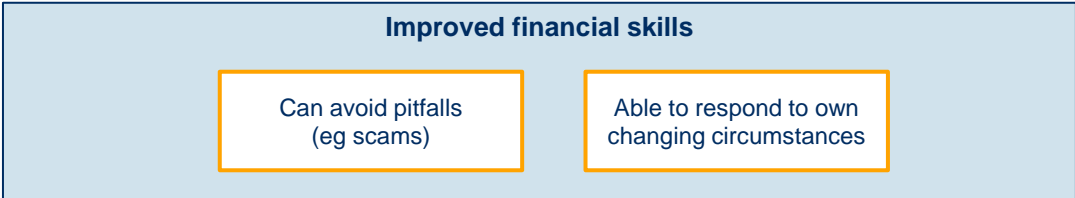
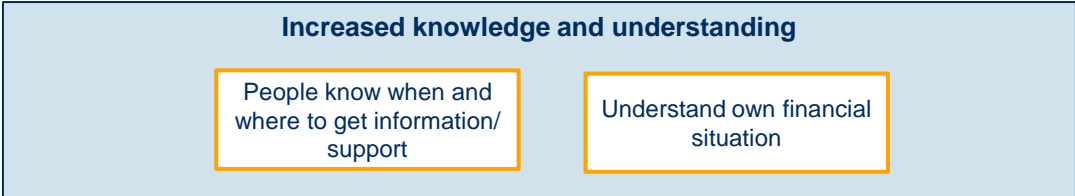
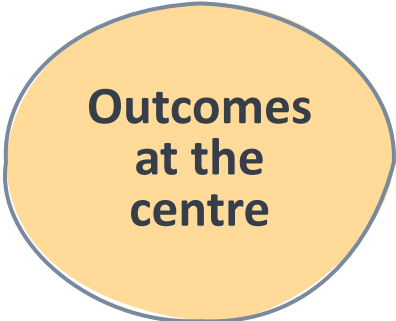
So what does it take to make a coalition work – our learnings from working with a broad range of partners (Part 2)



Working with partners

- Work with small sub groups – it's not efficient for them, or the work, to try to tackle everything in a plenary
- Keep them on the journey throughout, even when it's not their time to act/deliver. Talk. A lot. Be as transparent as possible
- Things change – partners may change. Maintain relationships with those outside your current network – you may need to go back to them and see if they want to step in as a partner if another partner exits or goes slow (“understudies”)

Keeping outcomes at the centre of the initiative: financial capability outcomes



External factors

Personal circumstances and income

Community, culture and network

Legal, government and regulatory environment

Ongoing change in financial services

Professional advice/ support