



Good Shepherd  
**Microfinance**

# Submission to Affordable Housing Working Group

The essential role of inclusive finance in  
affordable housing

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## Executive Summary

Good Shepherd Microfinance offers a range of people-centred, affordable financial programs for people on low incomes at different financial stages of their lives.

Our long history in working with people on low incomes and delivering financial programs nationally can play a critical role in informing and implementing initiatives to achieve the Affordable Housing Working Group objective:

*To enable significant and sustainable long-term private sector investment to increase the supply and availability of affordable housing.*

We welcome the opportunity to participate in this process. Our submission highlights the need to support people on low incomes to achieve their financial aspirations (in particular home ownership) and the associated role of Good Shepherd Microfinance - a not-for-profit organisation providing client-focused, community-led and trusted support to navigate complex financial products.

Key recommendations include:

- That Government invest in a pilot home ownership program for long term public housing tenants, who have an aspiration to own their home and can service a mortgage loan - a concept is provided in Recommendation 1.
- Good Shepherd Microfinance lead a cross-sector development and engagement process to further scope and explore options for people on low-income to transition to home ownership (with particular emphasis on social and public housing acquisition).
- Government invest in research to understand the housing aspirations (and barriers and challenges associated in achieving them) for people on low-incomes in Australia.
- Culminating from both the research and collaborative efforts, develop an Industry *Discussion Paper* on affordable housing initiatives to meet the housing aspirations of people on low-incomes.
- Government acknowledge the importance of financial capability and financial conversations in supporting people on low incomes to make decisions about housing.
- Government acknowledge the role of people-centred, affordable financial programs that are trusted and delivered by local community organisations.
- Government recognise the social and economic benefits of home ownership and encourage the transition from public housing and affordable renting to home ownership for people on low-incomes.
- Government acknowledge the importance of education and access to affordable insurance for people on low-incomes to protect existing assets.
- The Working Group consider women and Aboriginal and Torres Strait Islander people as priorities in housing initiatives due to their disproportional representation amongst those financial excluded and in housing stress.

Specifically, the role for Good Shepherd Microfinance in supporting housing affordability initiatives includes:

- Apply our strengths and knowledge to significantly lift home ownership rates of long term public housing tenants by creating an effective partnership between community sector organisations, banks, public housing landlords and government agencies. The Good Shepherd Microfinance network has the trust of and regular connections to over 100,000 people seeking affordable housing, half of whom can service a mortgage loan (see Recommendation 1 for details and concept proposal).

- Provide financial conversations to support the transition from rental to home ownership.
- Undertake research to further understand the housing aspirations of people on low-incomes and the barriers and challenges in achieving their goals.
- Lead a collaborative approach to scoping additional affordable housing initiatives, utilising Good Shepherd Microfinance client base and partner network, in addition to government, community and industry stakeholders.
- Capacity build the government, housing and community sector with the provision of financial capability education for staff working with people on low incomes.
- Provision of microfinance loans for rental bonds and scaling up of No Interest Loan Scheme (NILS) loans for people to set up their home with furniture, whitegoods and other items.
- Provision and education about insurance for people on low-incomes in Australia to protect existing assets.
- Support people with low-incomes to save for deposits and housing through tailored savings and educational programs.

**Sally\* was a victim of domestic violence who after an illness in 2011 was left homeless with her two children. Sally received a NILS loan to fund her educational costs that created a pathway to employment. In four years, Sally has moved across the housing spectrum from homelessness to paying a mortgage today.**

“If it wasn’t for my NILS loan I wouldn’t be in the situation that I am now, with my own business and my own house with my two young children. I took out my loan for educational costs. I’ve started my own landscaping business and should be off Centrelink payments soon.”

“I was told there was a six to seven year wait for public housing. I had to put in a 65-page submission to get my private rental. People don’t trust single mums. I wanted to put in a security camera, because my ex-partner was abusive towards me. The landlord raised my rent because of the camera.”

Today Sally has transitioned from homelessness to home ownership.

“Even after the cost of rates and body corporate, I’m \$800 better off per month than at my previous rental. And my house will go up in value.”

“The process of buying my apartment was difficult. The communication between the valuer, mortgage broker and developer was poor so the valuation came through late and therefore the settlement was late. We were homeless for a week between moving out of our rental and moving into our new home. I had to put our things in storage, stay with friends and pay a late settlement fee.”

“It’s a nice feeling to say ‘this is my home’, to put a picture on the wall. I would like to, in some years once I’ve saved some more money, move into a bigger place with a small garden for my children.”

\*Sally was a victim of domestic violence. Her name has been changed to protect her privacy.

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## About Good Shepherd Microfinance

Good Shepherd Microfinance is Australia's largest microfinance organisation and has successfully delivered a growing range of microfinance products and services for over 30 years. We offer a suite of people-centred, affordable financial programs for people on low income at different financial stages of their lives. Our aim is to enable clients to realise their own economic wellbeing, as they define it themselves, through appropriate financial services. As a result, people feel valued, accepted, included and in control of their own finances and lives.

Good Shepherd Microfinance believes that individuals and families living on low incomes can make sustainable and responsible financial decisions if they have access to the right resources and are protected from exploitative lending arrangements.

We work with 263 accredited community organisations in 670 locations across Australia. Our programs are designed to fill a market gap and serve the needs of the three million people in Australia<sup>1</sup> who are financially excluded.

Good Shepherd Microfinance and its partners have launched and maintained highly successful national financial wellbeing and capability programs recognised by government, corporate partners and communities. These award-winning programs include:

- **No Interest Loan Scheme (NILS):** a community based program providing access to fair and safe credit (up to \$1,200);
- **StepUP:** provides low interest loans for personal or household purposes to people on low incomes in partnership with NAB (from \$800 to \$3,000);
- **AddsUP:** helps people on low incomes develop financial independence through a matched savings incentive (\$500) in partnership with NAB;
- **Debt Deduct:** a pilot program designed to work as a circuit breaker addressing the immediate need for debt relief through the no-interest consolidation loans of up to \$2,000 and the support of a financial counsellor;
- **Good Insurance:** a program that works with Australia's biggest insurance companies to create affordable, simple and effective insurance policies for people on low incomes; and
- **Good Money:** community finance stores delivering financial services in Victoria and South Australia in partnership with NAB and State Governments.

Good Shepherd Microfinance has successfully researched, piloted and scaled up a number of well-known inclusive finance programs. The success of these programs is evident in improving the economic and social inclusion of the clients we serve:

- 400,000 clients and their families have been positively impacted through Good Shepherd Microfinance programs.
- StepUP low interest loans are available at 35 sites across Australia, with over 13,000 loans approved. StepUP loans generate social and economic benefits valued at more than twice the total cost of the program (the ratio of social and economic return is \$2.68 for every dollar invested in the program with a cumulative value of approximately \$19.5 million). More than 95 per cent of StepUP providers are satisfied or very satisfied with the support from Good Shepherd Microfinance.

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<sup>1</sup> Centre for Social Impact for National Australia Bank, 'Measuring Financial Exclusion In Australia', April 2014.

- Our highly awarded No Interest Loan Scheme (NILS) has reached more than 181,000 people with repayment rates consistently above 95 per cent. For every dollar invested in NILS, a social and economic return of \$1.59 is created. Despite 94 per cent of NILS clients living under the poverty line, 82 per cent of NILS clients experienced a net improvement in economic outcomes such as savings in food and utilities expenses as well as greater financial independence and resilience.
- Good Money inclusive finance stores are located in Geelong, Dandenong and Collingwood in Victoria and Salisbury in South Australia. They provide financially excluded locals with access to microfinance products, financial counseling and other community services in a comfortable and secure retail environment. 97 per cent of Good Money clients felt more positive about the future and 97 per cent felt valued.
- Good Insurance works with two of Australia's biggest insurance companies to create affordable, simple and effective insurance policies for people on low incomes. Strong corporate partnerships have resulted in the co-creation of two new accessible products - *Essentials by AAI* in partnership with Suncorp and *Insurance 4 That* in partnership with IAG.
- Good Energy (previously HESS) received government funding to help over 30,000 low income households reduce their ongoing energy usage and costs.

Importantly, Good Shepherd Microfinance focuses on enabling people to define and then to realise their own economic wellbeing, to feel valued and in control of their finances and lives. Increasing peoples' financial confidence and capability is a key component to building financial resilience and enabling their economic mobility. Being financially resilient enables people to access, build and preserve their financial assets and limit their liabilities such that they are able to cope with any financial shocks.

In addition, Good Shepherd Microfinance is developing a Financial Inclusion Action Plan (FIAP) program in partnership with Ernst & Young, Centre for Social Impact and Australian Government Department of Social Services. This program will support business, government, community and academic institutions to develop their own plans and advance financial inclusion in Australia, especially for women.

Our work enables people to build assets, engage in community life as well as supporting pathways to education and employment. Independent evaluations of our microfinance products have shown that over four out of five clients experience a net improvement in social and economic outcomes<sup>2</sup> and that financial inclusion is a critical support to economic growth.<sup>3</sup>

National Australia Bank (NAB) and Good Shepherd started working together in 2003, and since that time NAB has made a commitment of \$130 million in microfinance capital. Together we share a goal to reach one million people with microfinance by 2018.

Microfinance loans used to build assets have a high social and economic return, however, only 8 per cent of microfinance clients own their own home, with the majority renting either private or public housing. With over 50 per cent of microfinance clients being in their housing for over two years, there is opportunity for Good Shepherd Microfinance to support initiatives that encourage affordable renting and home ownership for people on low incomes in Australia.

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<sup>2</sup> Centre for Social Impact, '*Life Changing Loans at No Interest: An Outcomes Evaluation of Good Shepherd Microfinance's No Interest Loan Scheme (NILS)*', March 2014

<sup>3</sup> Assumption note: 7 per cent of excluded segment move up one segment, SPP, May 2014

## Microfinance and financial exclusion in Australia

Microfinance is a “set of tools, approaches and strategies addressing the needs of people who are financially excluded”<sup>4</sup> from mainstream banking and financial systems. Traditionally, microfinance is aimed at people on low incomes, so it is important that the products and services are safe, accessible and affordable to ensure that poverty is alleviated, rather than further entrenched. Research has found a strong relationship between financial exclusion and other elements of social exclusion, including health, education, employment and broader economic exclusion.<sup>5</sup>

“I was able to not only have a credit rating in time but also it’s taught me to budget and that’s a really big think when you’re on benefits. So I’m in a fantastic position in life now - stress free, financially able.” [Zadika’s story](#), NILS loan recipient.

In the Australian context, the concept of microfinance is different to the microenterprise loan programs traditionally offered internationally. In Australia the money lent can assist in asset building, designed equally to alleviate poverty and improve quality of life, but also to mobilise a person economically and to reduce financial exclusion.

‘Financial exclusion’ is an issue where people lack access to basic financial products such as credit, savings, general insurance or even a transaction account. More than 3 million people were financially excluded in Australia in 2013:

- 181,000 adults were fully excluded meaning they had no financial products;
- 2.85 million adults were severely excluded meaning they only had one financial services product;
- 1.3 million people or 44 per cent of those financially excluded were in employment (part or fulltime); and
- 1.1 million people of 35 per cent of those financially excluded were aged 18-24 years old.<sup>6</sup>

Key to improving financial capability and resilience is recognising the role of self-efficacy and confidence. Researchers at Griffith University investigating factors that influence financial capability found that confidence, self-esteem and self-belief are key determinants of financial capability.<sup>7</sup> Evidence also suggests that women are more likely to lack confidence in money management, and that women who lack confidence are less likely to keep up with paying bills.<sup>8</sup>

New research shows a surge in the number of women turning to high cost payday loans in Australia, suggesting that a growing number of women are being excluded from the financial mainstream.<sup>9</sup> This research shows that women are using payday loans more often, and they are also borrowing more. Single mothers are overrepresented among payday lending borrowers. While 15 per cent of women in Australia are single mothers; this research found that almost half of the women using payday loans were single mothers.

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<sup>4</sup> Burkett & Simon, 2009, *From the Margins to the Mainstream: The challenges for microfinance in Australia*. Melbourne: Brotherhood of St Laurence and Foresters Community Finance, pg. v

<sup>5</sup> Chant Link, 2004 via ANZ Adam report

<sup>6</sup> Centre for Social Impact for National Australia Bank, ‘*Measuring Financial Exclusion In Australia*’, April 2014

<sup>7</sup> Blue, Brimble and Vyvyan; ‘*Factors that Influence Financial Capability and Effectiveness: Exploring Financial Counsellors’ Perspectives*’, *Australasian Accounting, Business and Finance Journal*, 8(4), 2014.

<sup>8</sup> Blue, Brimble and Vyvyan, 2014

<sup>9</sup> Digital Financial Analytics, *Women and Payday Lending*, 2016

## Financial exclusion, homelessness and home ownership

Over the last decade, it has been widely acknowledged that women and families are the fastest growing segment in the homeless population in Australia.<sup>10</sup> Furthermore, older women are becoming homeless at increasing rates. Poor superannuation savings, divorce, domestic violence and a chronic lack of affordable housing are key issues.<sup>11</sup>

“I was married for 24 years and I divorced. I lost everything because of my ex and the Women’s House in Thornbury help me. (They) gave me this opportunity to, step by step, come back from my life and also for my kids. I feel different now. I said ‘I can do this’.” Vaska, NILS and StepUP client. Click [here](#) to see Vaska’s story.

The 2011 Census indicates there are 222,958 women who are over the age of 45 (and 50 per cent over the age of 55), single, on low to median incomes and paying off a mortgage. A quarter of these women are experiencing mortgage stress. Submissions to the Senate Economic References Committee in 2015 found there are more women than men experiencing rental stress. “Women make up 59 per cent of those accessing homelessness services. Contrary to common stereotypes, the face of housing stress and homelessness in Australia is female.”<sup>12</sup>

Aboriginal and Torres Strait Islander people are also more likely to be financially (and socially) excluded.<sup>13</sup> Furthermore, Aboriginal people have repeatedly identified home ownership as a goal however this has not been an attainable goal for many due to: relatively low household incomes; high cost of housing relative; lack of confidence in approaching financial institutions; and an inability to save a minimum deposit<sup>14</sup>.

In Australia, home ownership by Aboriginal people is low (at 28 per cent<sup>15</sup>) leaving the remaining 72 per cent (or 331,000 Aboriginal and Torres Strait Islanders) to rent, occupy public housing or source another housing arrangement. Home ownership by Aboriginal people is also low when compared to Indigenous peoples in the United States (59 per cent), Canada (41 per cent) and New Zealand (50 per cent).

Compared with non-Indigenous Australians, Aboriginal and Torres Strait Islander people experience four times the rate of homelessness<sup>16</sup> and are 15 times more likely to be imprisoned (making up 26 per cent of the total Australian jail population).<sup>17</sup> In the 20 years following the Royal Commission into Aboriginal Deaths in custody, the proportion of Aboriginal and Torres Strait Islander prisoners has almost doubled.<sup>18</sup> Aboriginal women now comprise the fastest growing segment of the Victorian prison population, with research finding a significant proportion of Aboriginal women were homeless or in unsafe housing due to violence prior to entering prison<sup>19</sup>.

<sup>10</sup> McArthur, Moore and Noble Carr; ‘*Finding their way home: Children’s experiences of homelessness*’, Institute of Child Protection Studies, ACU National for the ACT Department of Disability, Housing and Community Services, 2007

<sup>11</sup> Bainbridge, A; ‘*Older Australian women becoming homeless at increasing rates*’, Australian Broadcasting Corporation, 9 January, 2015.

<sup>12</sup> Australian Senate Economics References Committee, The Australian housing affordability challenge, *Proof Committee Hansard*, 10 September 2014, p. 53.

<sup>13</sup> Mooney, A; ‘*Discussion Paper: Home ownership and Indigenous Australians*’, ANZ Bank, July 2007

<sup>14</sup> Mooney, A; 2007

<sup>15</sup> Australian Bureau of Statistics, 2006, ABS, Canberra

<sup>16</sup> Australian Bureau of Statistics, Census 2006, ABS, Canberra.

<sup>17</sup> Law Council of Australia, ‘*Indigenous Imprisonment Fact Sheet*’, 2015

<sup>18</sup> Law Council of Australia, 2015

<sup>19</sup> Law Council of Australia, 2015

## Affordability and home ownership

The Working Group has recognised the important role housing plays providing a “stable base from which Australians can participate in their communities.”<sup>20</sup> Specifically in assisting family formation, economic security in retirement, and improving employment, education and health outcomes. From an economic standpoint, housing has a “significant impact upon investment, productivity and participation”<sup>21</sup> as well as consumption and saving trends.

Borrowing funds to purchase a home is regarded as the most significant financial commitment most people make in their lifetime and a sense of economic wellbeing is obtained when loan repayments are met. Research shows that this feeling of economic wellbeing contributes strongly to social wellbeing and leads to greater inclusiveness, dignity, empowerment and confidence about the future.<sup>22</sup> Home ownership participation in Australia is positively correlated with improvements in health, child education, poverty, crime and social inclusion.<sup>23</sup>

However, in Australia a significant number (975,000) of low-income households are in housing stress<sup>24</sup>. Rental or mortgage stress is generally defined as spending in excess of 30 per cent of income on housing costs.<sup>25</sup>

“Affordable and appropriate housing does not only provide a physical structure to house its occupants, it also enables individuals to make use of their inherent potential to participate meaningfully in their personal and social lives, including but not limited to getting an education, engaging in the job market, caring for family members and building friendships.” Anglicare Rental Affordability Snapshot, 2015.

In Australia, the rate of household ownership is declining, and the total share of households in the private rental market has increased from 18.4 to 25.7 per cent (in the decade to 2014)<sup>26</sup>. Furthermore, around 187,500 households remain on waiting lists for public and community housing across,<sup>27</sup> and demand for public housing in Australia is estimated to increase by 28 per cent (or 93,000 dwellings) by 2023.<sup>28</sup>

This challenge is compounded by the increasing issue of housing and rental affordability. The 2015 Anglicare Annual Rental Affordability Snapshot found a significant lack of affordable rental properties for people on low-incomes and that government payments and the minimum wage were insufficient to cover costs in the Australian rental market.

In the decade preceding 2012, the average nominal rent in Australia increased by 75.8 per cent for houses and 91.8 per cent for other dwellings (such as flats, apartments).<sup>29</sup> The median weekly rent for private rental nationally (in 2011/12) was \$350 per week (increasing from \$190 in 2006).<sup>30</sup>

<sup>20</sup> Australian Government, ‘Affordable Housing Working Group: Issues Paper’, 2016

<sup>21</sup> Australian Government, 2016

<sup>22</sup> Mooney, A; 2007 (referencing Shew & Stelzer, 2004)

<sup>23</sup> Mooney, A; 2007 (referencing Mullins, Western, Broadbent 2001)

<sup>24</sup> Australian Government, 2016

<sup>25</sup> Australian Government, 2016

<sup>26</sup> National Shelter, ‘Housing Australia Fact Sheet’, 2014

<sup>27</sup> Productivity Commission, ‘Housing and Homelessness’, 2016

<sup>28</sup> Good Shepherd Microfinance, ‘Housing and Homelessness Service Improvement Grant Application’, 2014

<sup>29</sup> National Shelter, 2014

<sup>30</sup> National Shelter, 2014

Nationally, there is a shortage of affordable and available dwellings for rent in the private market. National Shelter estimates a shortage of 539,000 private rental dwellings that are both affordable and available for people on low incomes in Australia.<sup>31</sup> According to the NSW Federation of Affordable Housing there is a shortage in NSW of 32,000 affordable rental homes (conservative estimate) and based on an average build cost of \$350,000 per home, it would cost \$11 billion to fill this deficit in NSW alone.

Housing affordability is increasingly becoming an issue of concern in Australia. Demographia International Housing Affordability Study listed Australia as one of the world's most severely unaffordable housing markets.<sup>32</sup> In 2010-11, only 5.2 per cent of homes sold or built in Australia were affordable for low-income households. In the last decade, house prices nationally grew by 147 per cent and household income grew by 57 per cent.<sup>33</sup> Home ownership has increasingly become out of reach for average person in Australia with the median house price jumping for 4.7 times the median income in 1991 to 7.3 times the median income in 2011.<sup>34</sup>

Whilst recognising the lack of affordable housing and rental properties, Good Shepherd Microfinance would like to highlight the need to support people on low incomes to achieve their financial aspirations (including home ownership) and the associated role of a not-for-profit in providing client-focused, community-led and trusted support to navigate complex financial products.

“Approaching Good Shepherd Microfinance was really easy. They make you feel like a valued member of society.” Barb, StepUP loan recipient. Click [here](#) to see Barb's story.

## Role of Good Shepherd Microfinance in Affordable Housing

Affordable housing lending is a “labour intensive niched industry characterised by complicated layers of sometimes arcane federal, state and local laws and regulations.”<sup>35</sup>

Good Shepherd Microfinance has developed the refined skills, expertise and networks to efficiently and prudently facilitate accessible, affordable and appropriate finance and support for people on low incomes.

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<sup>31</sup> National Shelter, 2014

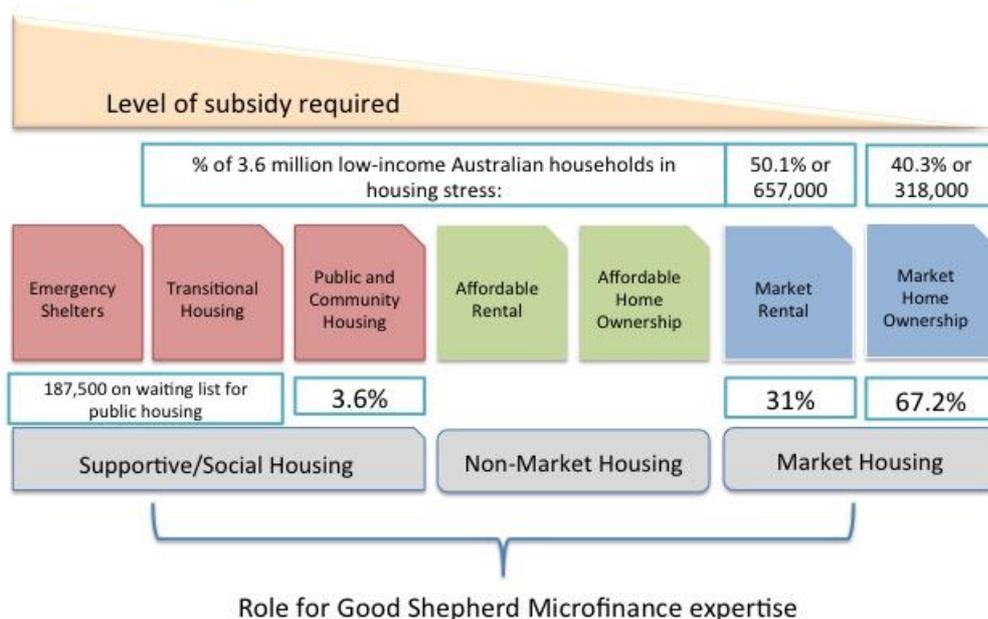
<sup>32</sup> Demographia International, ‘12<sup>th</sup> annual Housing Affordability Survey’, 2016

<sup>33</sup> National Shelter, 2014

<sup>34</sup> National Shelter, 2014

<sup>35</sup> Jahr, M; Affordable Housing Summit Melbourne, 30 April 2015

## Australian Housing Spectrum, Affordability and Good Shepherd Microfinance



Adapted diagram from *Transforming Housing: Affordable Housing for All* (Newton, Sheko and Whitzman 2015)  
 Figures from Working Group for Affordable Housing Issues Paper

**Figure 1: Australian Housing Spectrum, Affordability and Good Shepherd Microfinance**

The barriers to finance by people on low incomes are well known to Good Shepherd Microfinance. Barriers to obtaining mortgage finance and private rental include:

- Access;
  - Lack of credit history;
  - Poor credit history;
  - Variable income; and
  - Lack of experience and confidence with the financial sector and products.
- Public trust in the financial services industry is low both globally and in Australia. In fact, financial services has remained the world's least-trusted industry since 2010.<sup>36</sup>

Furthermore, people on low incomes may not have an adequate deposit or bond, may require subsidised assistance to supplement a mortgage loan or lack affordable housing availability.

Client-focused, community-led and trusted financial services, such as Good Shepherd Microfinance, enable people on low-incomes to build financial capability required at all stages across the housing spectrum: from Supportive/Social Housing (emergency shelters, transitional housing; public and community housing) to Non-Market Housing (affordable rental; affordable home ownership) to Market Housing (market rental; market home ownership). See Figure 1.

<sup>36</sup> Edelman Trust Barometer, 2016

Housing Segment	Possible homelessness	Rental through public or private housing	Transitioning to home ownership		Home ownership				Investment	
Segment	Financial Crisis	Financial Hardship	Hardship transition	Stable, Asset Building	Stable Wellbeing	Income Generation	Growth Consolidation	Wealth Creation	Financial Independence	Wealth Distribution
Individual weekly income (maximum)	\$200	\$300	\$400	\$600	\$800	\$1000	\$1250	\$1500	\$2000	\$2000+
No. people	0.85m	1.80m	1.72m	2.00m	1.80m	1.44m	1.37m	0.96m	1.12m	1.08m
Households	185k	359k	922k	1.08m	1.01m	792k	815k	568k	623k	473k
Largest employment category	Not in labour force (65%)	Not in labour force (69%)	Not in labour force (52%)	Employed full time (42%)	Employed full time (68%)	Employed full time (75%)	Employed full time (79%)	Employed full time (82%)	Employed full time (83%)	Employed full time (81%)
Largest household type	Lone person (28%)	Lone person (47%)	Lone person (44%)	Couple with children (28%)	Couple with children (35%)	Couple with children (42%)	Couple with children (40%)	Couple with children (43%)	Couple with children (35%)	Couple with no children (47%)
Segment demographic	Excluding under 20s, evenly distributed up to 64	Peak in 20-24 and rising again in 60-80 year olds	Peak in 20-24 and rising again in 60-85 year olds (highest of all segments)	Peak in 20-24 then evenly represented to 70 year olds	Peak in 20 to 30s, steady to 55 then declining representation	Peak in 25-30s, even to 55 then declining representation	Peak in 25-30s, even to 55 then declining representation	Peak in 30-35s then declining representation across all other age segments	Bell curve averaging at 45yrs, closing out at 70	Bell curve averaging at 45yrs, closing out at 70
Household net worth	\$5,300	\$15,600	\$63,000	\$152,600	\$247,800	\$339,500	\$475,300	\$657,800	Not modelled	Not modelled
Benefit of 25% of segment moving up a segment	\$0.5bn	\$4.3bn	\$20.6bn	\$25.7bn	\$23.1bn	Not modelled	Not modelled	Not modelled	Not modelled	Not modelled

**Figure 2: Good Shepherd Microfinance Financial Inclusion Continuum**

Good Shepherd Microfinance’s ‘Financial Inclusion Continuum’ (Figure 2) shows the key stages where a person moves from financial crisis to resilience and inclusion. People in the first five segments of the 10-stage financial inclusion continuum experience a limited to great level of financial exclusion and have potential to benefit from moving up the continuum.

Providing a pathway to affordable home ownership would be a key lever in moving people on low incomes along the continuum. Research has shown if just 7 per cent of Australia’s financially excluded were able to improve their wealth position, the nation’s annual gross domestic product (GDP) could increase by a staggering \$19.7 billion. Household wealth could increase by as much as \$50 billion over time, and could also lead to a predicted \$2.6 billion saving in government health, welfare and justice spending.<sup>37</sup> Importantly, economic mobility is enabled by building financial capability, enabling access to the right products/services and stakeholders taking action.

Our programs demonstrate the proven capability of people on low incomes to service debt, grow financial equity and move away from crisis and hardship towards financial stability and resilience. In doing so, our programs enable people to build assets and improve their economic wellbeing (and associated social wellbeing). We are ideally placed to identify clients who are potential candidates for housing related lending services.

Our internal reporting shows that:

- 55 per cent of NILS clients have been in their housing for over two years;
- 69 per cent of NILS clients have been in their housing for greater than one year; and
- Only 8 per cent of NILS clients own their own home, with 80 per cent being in public or private rental.

<sup>37</sup> Assumption note: 7 per cent of excluded segment move up one segment, SPP, May 2014

Good Shepherd Microfinance recognises the board range of viable housing initiatives available for consideration by the Working Group and highlights the essential need for the role of a not-for-profit to navigate complex financial products in these opportunities (as seen below). In advancing potential opportunities, there is a recognised need for financial inclusion expertise and local delivery network in housing affordability initiatives.

Proposed initiative	Example	Role of community-led, client-focused financial provider
<b>Good Shepherd Microfinance Proposal</b>	Good Homes - See Recommendation 1 below for further details.	Program partner (see overview of concept below).
<b>Model 1: Housing loan/bond aggregators</b>	<b>Working Group example:</b> The Housing Finance Corporation (THFC) (UK).  <b>Initiative desired outcome:</b> Large-scale increase of affordable housing.	<p><b>Good Shepherd Microfinance role:</b></p> <ul style="list-style-type: none"> <li>• Provide financial conversations to educate clients about the cost of rental and/or home ownership.</li> <li>• Capacity build the sector with the provision of education around financial conversations to people on low-incomes for housing providers and associations.</li> <li>• Provision of microfinance loans for housing items such as appliances, furniture and expansion to include rental bonds.</li> <li>• Provision of insurance for people on low-incomes in Australia to protect existing assets.</li> <li>• Support the transition of people on low-incomes from rental to home ownership including the development of financial products that meet the needs and capacity of people on low incomes.</li> <li>• Support people with low-incomes to save for deposits and housing through AddsUp savings program.</li> <li>• Undertake research to further understand the housing aspirations of people on low-incomes and the barriers and challenges in achieving their goals.</li> </ul>
<b>Model 2: Housing Trusts</b>	<b>Working Group example:</b> Housing Partnership Equity Trust (HPET) (US)  <b>Initiative desired outcome:</b> Large-scale increase in affordable <u>rental</u> properties.	
<b>Model 3: Housing cooperatives</b>	<b>Working Group Example:</b> Common Equity Housing Limited (CEHL).  <b>Initiative desired outcome:</b> To provide an increase in affordable <u>rental</u> properties.	
<b>Model 4: Impact investing and Social Impact Bonds</b>	<b>Working Group Example:</b> 2012 homelessness social impact bond project (London). <b>Further Australian examples:</b> The Newpin Bon (NSW)  <b>Initiatives desired outcome:</b> Various social outcomes desired across housing, health and employment.	
<b>Example of Superannuation Funding Impact investing:</b>	<b>Example: Hesta Superannuation Fund and Horizon Housing (QLD)</b> In January 2016, HESTA Superannuation invested \$6.7 million in Horizon Housing to increasing the supply of social and affordable housing and helping low-income earners achieve home ownership in targeted areas.  <b>Initiative desired outcome:</b> Smaller-scale increase in sustainable housing solutions, ranging from subsidised rental accommodation to home ownership.	

<p>Home ownership programs:</p>	<p><b>Australian example:</b> KeyStart &amp; SharedStart Home loans with Rental Sales Scheme (WA):</p> <ul style="list-style-type: none"> <li>• Keystart was established in 1989 to provide low-deposit home loans to West Australians unable to meet the deposit requirements from mainstream lenders. More than 85,000 low-income West Australians have accessed home ownership via KeyStart.</li> <li>• SharedStart: Enables low-income West Australians to purchase newly-built homes and off-the-plan properties offered by the Housing Authority across metropolitan and regional areas.</li> <li>• The Rental Sales Scheme is open to eligible Housing Authority tenants who are interested in purchasing their rental property.</li> </ul> <p><b>Initiative desired outcome:</b> To provide an increase in affordable <u>home ownership</u> properties and provide a transitional pathway for Housing Authority rental to individual ownership.</p>	
<p>Other proposed programs:</p>	<p><b>Doors to Ownership</b> (proposal for a scheme that would allow for sharing of the ownership of a home between a homeowner and a NSW community housing provider). Further details can be found <a href="#">here</a>.</p>	

## Recommendations

### 1. Program concept proposal: Good Homes - Home ownership for public housing tenants.

#### Background and objectives

For those living in social housing, the prospect of owning their own home is out of reach - perpetual rent payments hinder their ability to save sufficient funds for a house deposit.

This initiative's main objective is to enable some of the stronger cohorts in public housing to transition to home ownership. This will enable liquefaction of public housing and Government assets and free up resources which can be re-directed to support other homelessness initiatives. This program will:

- Address the deficit of public housing. The alternative, private rental market, now has over 600,000 families and single people living in housing stress as rental costs continue to increase for over five straight years at a rate outstripping CPI.
- Help public housing tenants build equity, reducing the likelihood of regression into financial difficulty;
- Free up landlords' capacity to accommodate financially disadvantaged people in public housing; and
- Reduce the strain on government resources dedicated to combating homelessness and helping people in difficult financial circumstances.

The concept involves a social partnership between a bank, a public housing landlord (e.g. a State Government) and a public housing tenant. The concept has yet to be fully developed, but it would involve the following basic approach:

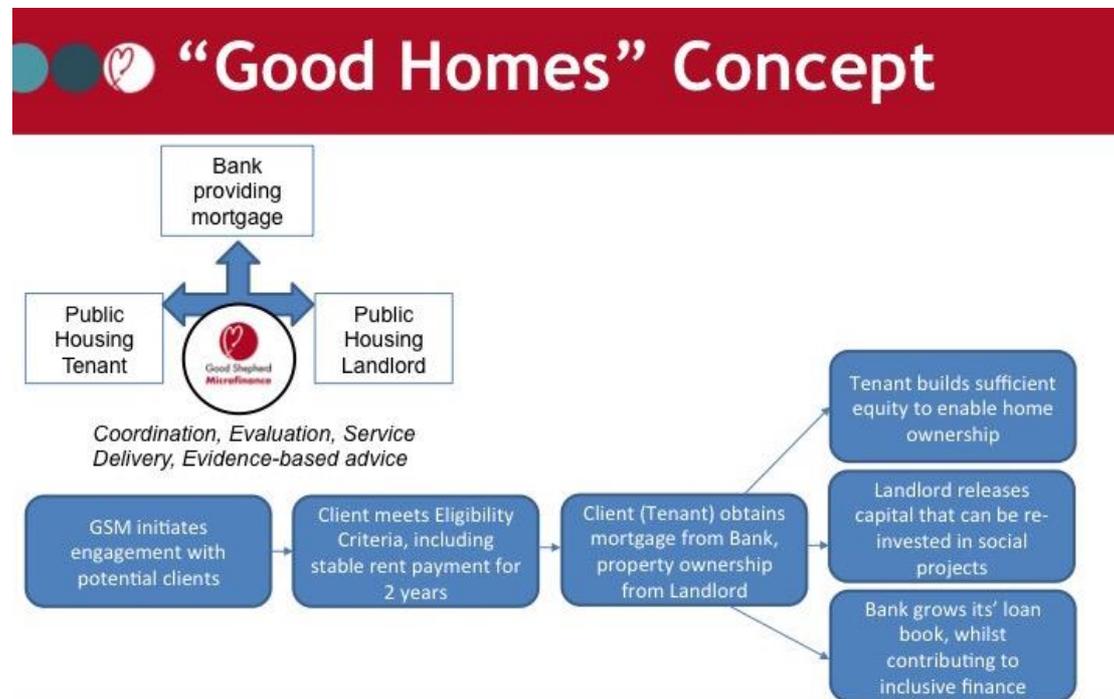
- 1) The three parties sign up for the program.
- 2) After a suitable period of stable rent payments (eg. 2 years), a transaction takes place to:
  - a) Transfer property ownership from landlord to tenant based on property value as at the beginning of the period;
  - b) Allow the tenant to take out a mortgage from the bank, secured against the property; and
  - c) Pay out the landlord using proceeds from the mortgage.
- 3) There would be some eligibility criteria (for example: no breach of rental agreement during the period, property valuation showing positive equity (home value greater than loan amount) at the time of transaction, and satisfactory tenant income situation to service the loan.

Early market soundings by Good Shepherd Microfinance elicited strong interest across key stakeholder groups, including banks that seek to build their corporate social responsibility, the Victorian State Government as a public housing landlord, and tenants of social housing.

#### The program will deliver clear benefits:

- THE TENANT builds sufficient equity to enable home ownership. Economic wellbeing stemming from building home equity contributes to social wellbeing and leads to greater inclusiveness, dignity, empowerment and confidence about the future;
- THE LANDLORD releases capital that can be re-invested in other projects. By helping a tenant transition out of public housing, this program will help public housing landlords deliver on their social and community benefit objectives; and
- THE BANK grows its loan book, whilst contributing to its corporate social responsibility.

Borrowing funds to purchase a home is regarded as the most significant financial commitment most people make in their lifetime. Most people who borrow to buy a house progressively obtain a sense of economic wellbeing as loan repayments are met, principal outstanding is reduced and assets (home equity) are built. Research shows that this feeling of economic wellbeing contributes strongly to social wellbeing and leads to greater inclusiveness, dignity, empowerment and confidence about the future.



**Wider social and community benefits will also flow from increased home ownership:**

- Improvements in health, child education, poverty, crime, social inclusion;
- Greater propensity for local action;
- Increased geographical stability;
- Participation in local community organisations and initiatives; and
- Children staying at school for longer.

The exit points from homelessness, into public housing and finally into safe, secure housing, including the sustainable goal of home ownership remains fraught and out of reach for many. Individuals and families stuck in poverty and reliance on public housing is very difficult for low-income households to escape. A proportion of public housing tenants reliably pay rent, hold stable jobs and are committed to improving their financial independence and capabilities. However, it may be likely that these individuals will never have the option to make a permanent investment in a home and the community.

**Low-income households struggle to transition out of public housing.**

The majority of households require two incomes to enter owner-occupation, and increasingly households require two incomes to access the private rental market. For low-income households residing in public housing, securing a deposit and financial credit are major barriers to home ownership. Some demographics are particularly disadvantaged in their ability to enter the property market:

- Families and individuals in public housing;
- Women with children, particularly those affected by domestic abuse; and
- Indigenous members of the community.

**This problem impacts the wider community on a number of fronts.**

The inability of these low-income cohorts to save for a home deposit negatively impacts the community on a number of fronts:

- It reduces the rate at which 'low-risk, reliable renters' move out of public housing (and into the private rental market or property market);
- It hinders the ability of these cohorts to make permanent investments in a home and their community; and
- It (indirectly) perpetuates the occurrence of domestic abuse and violence in the community.

**The problem also places an added strain on government resources.**

Public housing is a huge cost. The Government has significant funds tied into public housing, and the demand for these resources shows no sign of abating (as detailed above). Individuals and families on very low incomes are often under extreme stress and are particularly vulnerable to external pressures such as unexpected expenses (on top of rental payments).

This difficult financial position can prevent people on low-incomes from entering the private rental market on two fronts:

- a) They may not be considered to be ideal tenants due to their low-income status;
- b) They may avoid the private market due to their limited control over the continued occupation of their dwelling, and lack of financial assets to fall back on.

For both reasons identified, low-income cohorts who currently reside in social housing are less likely to transition out of this accommodation and consequently place a greater strain on Government resources than if they had more options available to them. This situation also prevents the Government from freeing up this social housing for other individuals and families in need of accommodation.

**The concept is still in its early stages and further funding is required to develop it further and engage with key stakeholders to pilot a program.**

There are a number of dimensions to detail further, including:

- When the transaction takes place;
- Where home equity will come from (e.g. property value increase, part of rental payments);
- The type and duration of mortgage to be taken out. Where rental payments are lower than standard mortgage repayments (principle and interest over 25 years), alternative options may be suitable (e.g. longer duration, interest-only format, shared equity or index loans); and
- Exact eligibility criteria.

One option would be to back-date the mortgage, allowing rent payments to be counted as payments on a loan (interest and principal) that is assumed to have commenced at the beginning of the period. Another is to construct a financial transaction (but no transfer of title) at the beginning of the period, which will close out at the end of the period, after which the former tenant will continue to repay the mortgage on normal terms.

**The proposed project will achieve value for money.**

Funds are required to establish a small project team to further develop and implement the transitioning to home ownership program. The budget will be minimal, covering concept development and one Business Development Manager/Liaison Officer in each State. The total budget is estimated to be \$2.5 million over 3.5 years, which is required for:

- A Program Designer/Lead;
- A Product Developer/Manager to lead initial product development and over time manage refinements to the product; and
- State-based Delivery Agents to engage local stakeholders including tenants, landlords and banking provider(s). One Delivery Agent initially will be expanded to six State-based Agents by 2020.

To achieve value for money, Good Shepherd Microfinance will utilise its existing network or home ownership/housing network agents to promote the program.

#### **Impact and ongoing assessment.**

The impact of this initiative will grow over time as the program is rolled out. Initial estimates are that over a five-year period, the program will have:

- Established 594 successful loans;
- Established home ownership for \$178 million worth of residential property; and
- Generated home ownership equity of \$19.7 million.

This level of activity implies that the accumulated home equity as a multiple of the program cost is a ratio of 8:1, and likely to grow further as the program expands.

We will use clearly defined metrics to track and measure the success of our program, and ensure it achieves the desired outcomes of the initiative. Key performance metrics will include:

- Client satisfaction, to assess the program's success in meeting the financial needs of people on low incomes;
- Stakeholder satisfaction, to assess the program's success in meeting corporate social responsibility goals of partner organisations;
- Number of landlords signed up to the program;
- Number of tenants who have entered into a Transition to Home Ownership agreement;
- The proportion of tenants that successfully complete the transition to home ownership; and
- The value of home equity generated.

#### **Leveraging existing complementary resources will ensure effective use of funding.**

Good Shepherd Microfinance is a recognised provider of financial inclusion services and products to disadvantaged people nationally (an overview of our expertise is provided on page 5). This program will leverage Good Shepherd Microfinance's existing network of both its own and partner service providers to reach tenants and landlords (detailed further in Recommendation 2). Further, it will rely on a small project team and a single coordinator in each covered State, focused on signing up agencies and refining the model with already interested agencies.

#### **An effective program roll-out and delivery.**

The delivery of this program would be national as it seeks to cover six States and would be pioneering in Australia's history as a national initiative to promote affordable home ownership for people on low incomes. Rollout will be measured and closely monitored. Pilot would start in Victoria in year one, where conversations have already begun with key agencies, who are all interested and supportive. Subject to successful pilot implementation, the program would be rolled out to five other states.

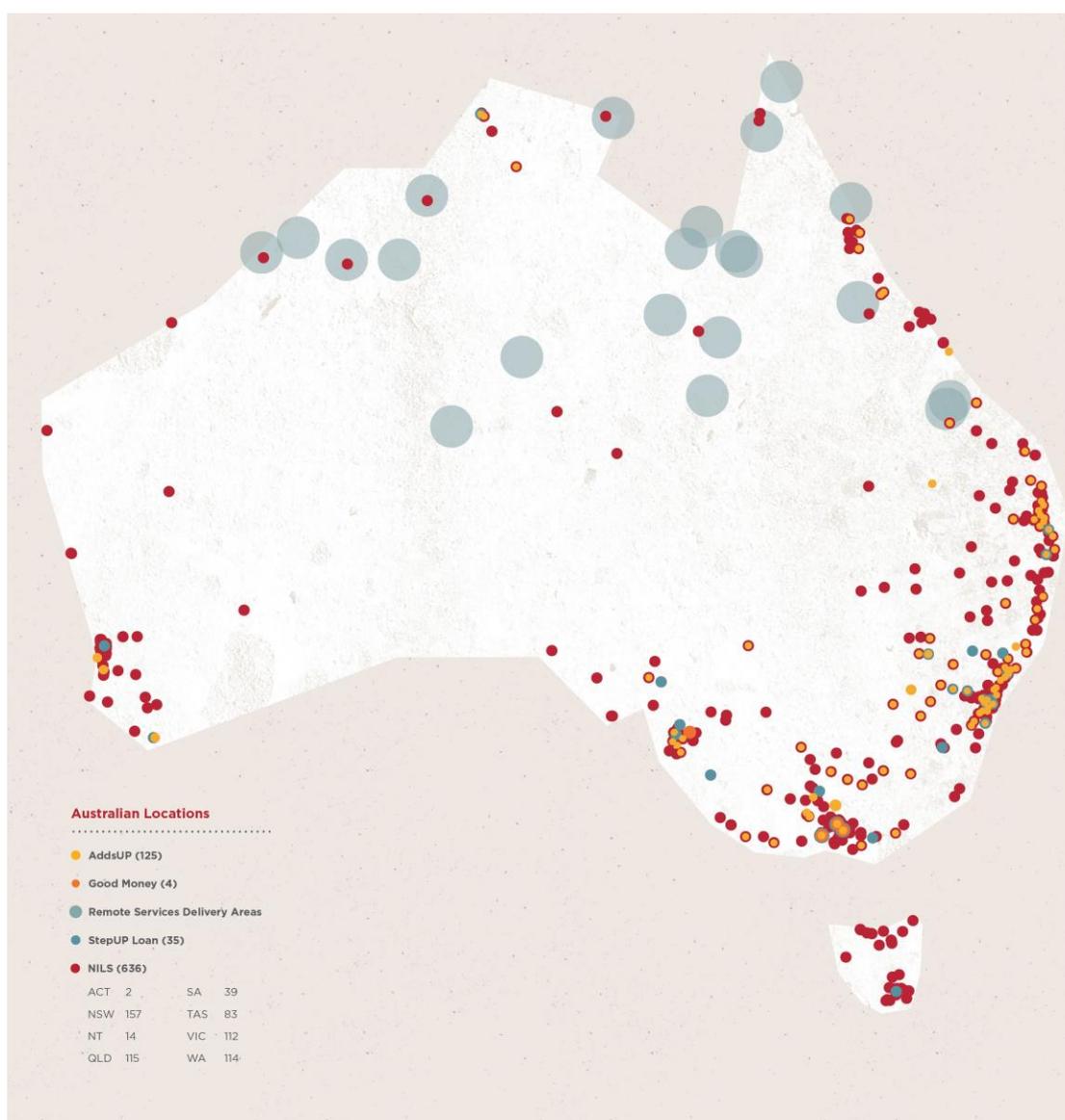
***Recommendation: That Government invest in a pilot home ownership program for long term public housing tenants, who have an aspiration to own their home and can service a mortgage loan (in partnership with a community organisation and a bank). Good Shepherd Microfinance would welcome an opportunity to further develop this partnership as a client-focused affordable housing initiative.***

## 2. Leveraging partnerships to improve affordable housing options

To achieve the social outcomes desired in achieving the Working Group's objective, a collaborative, cross-sector approach to housing affordability is required.

Good Shepherd Microfinance is a community-led organisation with strong local partnerships and extensive experience in government, community and corporate collaboration. Together with our partners, we recognise the inescapable need and value for the sector to unite resources and expertise to deliver more impactful programs.

Our vision for service delivery is underpinned by collaboration, and today Good Shepherd Microfinance works with 263 accredited community organisations in 670 locations across Australia to deliver a localised and client-focused approach. More than 70 per cent of NILS or StepUP clients receive their loan through a community provider that is either: a housing provider or a community organisation which assists people on low income to find suitable housing or in navigating the public housing system.



In addition, we continue to develop strong links to Federal and State Governments and a close working relationship with the corporate sector (including best practice shared value partnerships with NAB, Suncorp and IAG).

As detailed above, a key strength of our approach is the ability to engage with the community when planning and delivering services, in addition to our expertise in understanding of the clients in which we serve.

***Recommendation: That Government (in acknowledging the role of people-centred, affordable financial programs that are trusted and delivered by local community organisations) invest in a cross-sector development and engagement process, led by Good Shepherd Microfinance, to further scope and explore housing options for people on low-income.***

### **3. Research to inform housing industry**

Good Shepherd Microfinance has extensive experience in researching the economic and social impacts of people on low-incomes. To further the impact of our existing programs on client economic mobility, Good Shepherd Microfinance partners with research centres to undertake impact assessment enabling learning, continual improvement and shared knowledge.

Good Shepherd Microfinance has identified a paucity of research to understand the aspirations of people on low incomes when it comes to affordable home ownership in Australia. To address the gap identified, we see an opportunity to commission targeted consumer research. Findings from research undertaken would help to guide and shape the development of future initiatives to better support the economic and social inclusion of people on low income.

Furthermore, Good Shepherd Microfinance recommends the development of a public Discussion Paper that can be shared to inform the governments, community housing sector and the private housing sector about the home ownership aspirations of people on low incomes. Importantly, our client base provides a ready sample of people on low incomes who could be involved in this research.

***Recommendation:***

- ***Government invest in research to understand the housing aspirations (and barriers and challenges associated in achieving them) for people on low-incomes in Australia. Good Shepherd Microfinance is well placed to lead this research and has a depth of experience in building an evidence-base of rigorous and innovative research.***
- ***Culminating from both the research and collaborative efforts (see Recommendation 2), develop an Industry Discussion Paper on affordable housing initiatives to meet the housing aspirations of people on low-incomes.***

### **4. The financial conversation**

Financial conversations and improving the financial capability and capacity of people on low-incomes is relevant at all stages of the ‘financial inclusion continuum’ (Figure 2) and corresponding housing spectrum (from emergency and crisis housing to home ownership).

Good Shepherd Microfinance has long held the view that the financial conversation, currently undertaken between a microfinance worker and a loan applicant as part of a loan interview, assists in increasing the financial capability of applicants<sup>38</sup>. This impactful discussion takes place at a relevant and critical time for clients (enabling an immediate application of knowledge). These 45-60 minute conversations cover budgeting, saving, managing bank fees and bills, and the risks around fringe lending and goods rental. Financial capability is particularly relevant to women with research by RMIT University finding negative intergenerational impacts of a lack of financial capability on women and girls<sup>39</sup>.

In 2015, Good Shepherd Microfinance researched the impact of the financial conversation in the StepUP program by measuring the changes in applicants' actual financial skills, knowledge and skills over three months (as well as their perceived changes). The results reinforced the fundamental importance of raising financial awareness and boosting self-confidence in order to build financial capability and self-determination. Key findings included:

- 66 per cent of loan recipients reported a general increase in confidence in dealing with their own money;
- 47 per cent of applicants who did not receive a loan reported a general increase in confidence in dealing with their own money;
- 12 per cent of applicants started a new job in the three-month period following the financial conversation;
- Female applicants were more likely than males to seek help or assistance with questions about money, both before the financial conversation and three months after; and
- Regardless of the outcome of the loan application, engagement with a microfinance organisation appeared to provide an important boost in self-confidence for people who typically are financially excluded and feel judged by traditional institutions and services.

“Probably made me a bit more forthcoming, I feel a bit more confident. I don't know, before I was a bit wary about going to a bank or talking about getting a loan but it just seemed to help me a bit. I know now that you can talk to them, it just seems easier.”  
(Male, 64 years old, Step Up loan recipient)

Good Shepherd Microfinance sees a significant opportunity to leverage and expand the financial capability conversations and associated education to support people on low-incomes move across the financial inclusion continuum and associated housing spectrum. Through this process, Good Shepherd Microfinance is also ideally placed to identify clients who are potential candidates for housing related lending services.

***Recommendation: That Government endorse and support the improved financial capability of people on low-incomes through financial conversations and associated education. In addition, Government acknowledge the proven ability of people on low-incomes to service debt, grow financial equity and move away from crisis and hardship towards financial stability and resilience.***

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<sup>38</sup> Good Shepherd Microfinance, *Impact of the financial conversation on StepUP applicants' financial literacy and capability*, 2015

<sup>39</sup> Roslyn Russell, *What women want: unravelling the factors underlying women's financial decision-making behaviour*, 2013

## 5. Education

We believe there is an opportunity to support and build capacity within the government, community and housing sectors through education initiatives. The findings of recommended research (see Recommendation 3) could provide a basis for the design and creation of appropriate educational and training products for the housing industry. The community-housing sector may also be interested in understanding and learning how to have a financial conversation about home ownership.

Good Shepherd Microfinance has established a well-utilised online learning platform which could effectively deliver this training in conjunction with face-to-face sessions. We also have capacity to conduct workshops and briefing sessions across Australia for programs aimed at affordable home ownership and other affordable housing initiatives.

***Recommendation: Government invest in the further development and adoption of the Good Shepherd Microfinance financial conversation training and support the adoption of training amongst government, housing and community sectors.***

## 6. Protecting assets through insurance

Insurance is an essential component to economic stability. Good Shepherd Microfinance research found the main events that cause people to become impoverished and suffer significant setbacks in their economic wellbeing were: business failure; death of main breadwinner; natural disasters; theft; total and permanent disability; unemployment; and; vehicle damage/accident.

Non-insurance leaves people unprotected should they experience a loss, preventing them from confidently accumulating assets or using a motor vehicle. This is especially true for people on low incomes, as they are least able to absorb a financial shock.

One in five adults<sup>40</sup> in Australia does not have general insurance cover for their contents, car or home. To address this, last year Good Shepherd Microfinance launched Good Insurance which works with Australia's biggest insurance companies to create affordable, simple and effective insurance policies for people on low incomes.

Specifically, Good Insurance offers two products:

- Essentials by AAI (in partnership with Suncorp) launched in September 2015 and provided (for first time) accessible insurance cover to people on low incomes. This enables clients to insure a car, home contents or both.
- Insurance 4 That is a single item insurance solution, providing an alternative to traditional contents insurance by enabling people to insure individual items and nominate the insured value of these items. There is also the option to take out additional cover for portable items against theft anywhere in Australia.

In an affordable housing context, Good Shepherd Microfinance is able to support new and existing initiatives through insurance of home contents.

***Recommendation: Government recognise the opportunity and importance of educating people with low-incomes about the total cost of home ownership and the importance of asset protection through insurance.***

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<sup>40</sup> Centre for Social Impact for NAB, 2013

## 7. Financial Inclusion Action Plans

Good Shepherd Microfinance is currently developing a Financial Inclusion Action Plan (FIAP) program in partnership with Ernst & Young, Centre for Social Impact and Australian Government Department of Social Services. This program will support business, government, community and academic institutions to develop their own plans, and create a national network of organisations across sectors, industry peak bodies and governments that are actively committed to financial inclusion across Australia.

The specific focuses of the FIAP program are:

- Economic empowerment of women;
- Innovative solutions to financial exclusion through technology;
- Impact measurement and consistent data collection;
- Cross-sector cooperation to enhance learning and impact;
- Design, implement and advocate effective evidence based policy; and
- Increasing engagement of customers/clients through financially inclusive products, services, and promotion.

A Financial Inclusion Action Plan is tailored to each individual organisation. Plans aim to contribute to greater financial inclusion in Australia, with actions designed to realise economic mobility and financial resilience and better meet the financial needs of employees, customers and the broader community. Additionally, through FIAPs Australia will have a mechanism that engages the business community to progress Australia's international obligations under the United Nations' Sustainable Development Goals and the G20 Financial Inclusion Action Plan.

This program is of particular relevance in a housing context for Real Estate Agents, Property Developers, Landlords, Housing Associations and related property services.

***Recommendation: Government endorse and advocate the development and adoption of Financial Inclusion Action Plans (FIAP) by organisations within the housing and property industry.***

## Conclusion

Good Shepherd Microfinance is pleased to take the opportunity to provide a submission to the Federal Government Working Group on Affordable Housing.

Good Shepherd Microfinance recognises the broad range of viable housing initiatives available for consideration by the Working Group and highlights the essential need for the role of a trusted, client-focused, community-led not-for-profit organisation to navigate complex financial products in these opportunities (as seen below). In advancing potential opportunities, there is a recognised need for financial inclusion expertise and local delivery network in housing affordability initiatives.

Key recommendations made in this submission are:

**Recommendation 1:**

- *That Government invest in a pilot home ownership program for long-term public housing tenants, who have an aspiration to own their home and can service a mortgage loan (in partnership with a community organisation and a bank). Good Shepherd Microfinance would welcome an opportunity to further develop this partnership as a client-focused affordable housing initiative.*

**Recommendation 2:**

- *That Government (in acknowledging the role of people-centred, affordable financial programs that are trusted and delivered by local community organisations) invest in a cross-sector development and engagement process, led by Good Shepherd Microfinance, to further scope and explore housing options for people on low-income.*

**Recommendation 3:**

- *Government invest in research to understand the housing aspirations (and barriers and challenges associated in achieving them) for people on low-incomes in Australia. Good Shepherd Microfinance is well placed to lead this research and has a depth of experience in building an evidence-base of rigorous and innovative research.*
- *Culminating from both the research and collaborative efforts (see Recommendation 2), develop an Industry Discussion Paper on affordable housing initiatives to meet the housing aspirations of people on low-incomes.*

**Recommendation 4:**

- *That Government endorse and support the improved financial capability of people on low-incomes through financial conversations and associated education. In addition, Government acknowledge the proven ability of people on low-incomes to service debt, grow financial equity and move away from crisis and hardship towards financial stability and resilience.*

**Recommendation 5:**

- *Government invest in the further development and adoption of the Good Shepherd Microfinance financial conversation training and support the adoption of training amongst government, housing and community sectors.*

**Recommendation 6:**

- *Government recognise the opportunity and importance of educating people with low-incomes about the total cost of home ownership and the importance of asset protection through insurance.*

**Recommendation 7:**

- *Government endorse and advocate the development and adoption of Financial Inclusion Action Plans (FIAP) by organisations within the housing and property industry.*

Our long history in working with people on low incomes and delivering financial programs nationally can play a critical role in informing and implementing initiatives to achieve the Affordable Housing Working Group objective.

Good Shepherd Microfinance encourages ongoing engagement in initiatives and conversations to address housing affordability issues in Australia.

We welcome involvement in this process and invite enquires to be directed to Renee Hancock, General Manager, Innovation and Marketing.