

Thriving Aotearoa Partnership proposal

September 2023



CENTRE FOR
**Sustainable
Finance**
TOITŪ TAHUA



Waipuna-ā-rangi



Ururangi



Hiwa-i-te-rangi



Matariki



Tupu-ā-rangi



Tupu-ā-nuku



Waitā



Waiti



Pōhutukawa

The Centre for Sustainable Finance: Toitū Tahua was set up in 2021 to accelerate progress toward an equitable, inclusive and sustainable financial system.

Established by major financial institutions, Crown entities and strategic philanthropists, with support from The Aotearoa Circle, the Centre follows a model pursued successfully in other jurisdictions such as the UK, Canada, Europe, Australia and Singapore.



What's the problem we are trying to solve?

Financial exclusion, associated with poverty and social exclusion, imposes significant costs on individuals. It leads to higher fees for basic transactions, limited access to basic services, and prevents financial resilience.

Having a bank account is essential for employment. Exclusion from mainstream credit forces reliance on expensive alternatives. Without insurance or savings, individuals are more vulnerable to risks like theft, unexpected expenses, and redundancy.

[3]

Affordable access to essential services and utilities

- Around 110k households in NZ couldn't afford adequate heating in their homes in the year ending June 2022 [4]
- Approximately 74k households reported significant issues with dampness or mould, indicating poor housing quality. This can result in increased energy consumption for heating, adding to the financial burden on households [4]
- Illnesses associated with inadequate housing are increasing in severity, resulting in long-term consequences and disabilities [1]
 - Mortality rates more than doubled, from 1.3 per 100k to 3.2
 - Childhood bronchiolitis hospitalisation rates increased by nearly 50% from 2000 to 2019
- 1 in 5 children aged 2-14 in NZ live in food-insecure households [5]
- Annual distribution of food parcels has quadrupled (from 10k to 50k in 2022) [8]
- Approximately 130,320 households do not have an internet connection [6]
- Estimated 1.25% of people over the age of 15 in NZ have no access to banking services [10]
- Trouble accessing bank accounts has significant negative impacts and generally lands on those who are already experiencing crises or disadvantage [10]
- Majority of New Zealanders (2/3) remain uninsured, citing affordability as the main obstacle [3]
- Over 25% of the population holds buy-now-pay-later accounts, with 20% accumulating debt for essential items and 35% turning to credit cards, leading to a perilous cycle of indebtedness. In 2023 10.5% of these accounts are in arrears [2][9]



What does this have to do with sustainable finance?

SFF 2030 ROADMAP RECOMMENDATION
Recognise that financial services and products are a utility and create an inclusive financial system



In July 2022 the partners of the Center for Sustainable Finance convened a summit to discuss the 'Inclusion' recommendation from the Sustainable Finance Forum's 2030 Roadmap for a more inclusive, equitable and sustainable financial system. The Roadmap outlines a number of recommendations to make the financial system work better for people who are currently excluded from accessing essential services.





At the summit, community told us...

- Early elimination of shame can expedite debt resolution
- Increase transparency and ensure participation and choice for all
- Vital human connection between community groups, iwi, and corporates for effective collaboration
- Regulation and pre-emption of irresponsible lending practices, including 'buy now, pay later' platforms
- Empowering and supporting whānau through flexible and personalised approaches
- Promoting equitable financial literacy and legal literacy
- Challenging system boundaries and enabling pathways for empowerment
- Ensuring access to essential services and universal rights
- Using influence to drive change and challenge discriminatory systems





Which led us to ask the question...

Can we build a nationwide platform and initiative like Mercury's "Home Sweet Home" and Australia's Thriving Communities Partnership combined?



So we formed an initial group of partners to see what we could do together





Under a guiding principle



“Kotahi te aho ka whati;
ki te kāpuia e kore e whati.”
One strand of flax is easy to break, but
many strands together will stand strong
– King Tāwhiao



Partners then identified three key workstreams

1. **Establish Thriving Aotearoa Partnership** - a partnership arrangement between community providers, corporates and funders aimed at ensuring whānau have access to essential services and increasing financial resilience
2. **Scope One Stop One Story Hub** - a digital platform aimed at centralizing essential services and making them easily accessible
3. **Demonstrate and 'bed in' Home Sweet Home** - a place-based project initiated by Mercury Energy and led by Kootuitui, aimed at ensuring whānau have access to essential services (healthy homes, food, energy) in a financially resilient way (through financial coaching)



Which are joined
by a thread of
increasing
financial resilience
to increase
wellbeing



Resulting in:

- Changing financial services
- Preventing debt shock & spiral
- Increased financial resilience
- Increased wellbeing

By requiring Partners to:

- Develop and offer inclusive products and service, such as financial support
- Put skin in the game (Senior leadership / cash / time)

The Partnership enables:

- Effective collaboration
- Systemic solutions to hardship
- Collective voice and influence
- Recognition that financial services are an essential utility



How different partners contribute to Thriving Aotearoa Partnership

Iwi & Māori

Hold expertise of community experience
Work with whānau as primary service delivery leaders.
Provide products and services
Enable the partnership through governance, co-design and implementation

Corporates

Hold expertise of essential utilities, regulatory and policy enablers
Required to provide products and services
Enable the partnership through funding, governance and co-design
Improve their practices and policies

Philanthropic funders

Enable the partnership through funding, governance and co-design

Catalytic partners

Convene and broker partnerships
Incubate the project
Manage project team

Community providers

Hold expertise of community experience
Work with whānau as primary service delivery leaders.
Provide products and services
Enable the partnership through governance, co-design and implementation

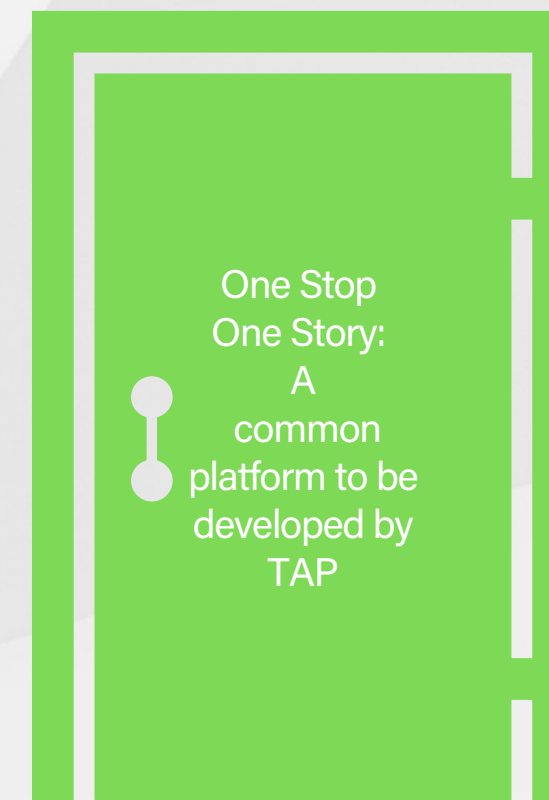




Thriving Aotearoa Partnership (TAP)

A partnership arrangement between community providers, corporates and funders aimed at ensuring whānau have access to essential services to increase financial resilience.

This model has been proven in Australia through the Thriving Communities Partnership initiated by Yarra Valley Water





Sources:

- [1] Asthma and Respiratory Foundation NZ (2021): [The impact of respiratory disease in New Zealand: 2020 Update](#)
- [2] Centrix (2023): [April Credit Indicator: Further Arrears Challenges Emerge as Consumer Prices Rise](#)
- [3] FSC (2022): [Money & You: Taking Cover](#)
- [4] MBIE (2022): [Report on Energy Hardship Measures](#)
- [5] Ministry of Health (2019): [Household Food Insecurity Among Children: New Zealand Health Survey](#)
- [6] NERA & Spark Foundation (2023): [The Economic Benefits of Digital Inclusion and Connectivity Report](#)
- [7] Resolution Foundation (2014): [In Brief: Financial Exclusion](#)
- [8] RNZ (2023): ['Hundreds of Thousands' of Kiwis Don't Have Money for Food as Demand at Foodbanks Increase](#)
- [9] RNZ (2023): [Struggling Families 'Stuck' Using Buy Now Pay Later for Essentials](#)
- [10] Westpac (2023): [NZ Access to Banking in Aotearoa Report](#)



Appendix 1: Home Sweet Home

A wrap around programme that provides whānau with a warm dry home fit out, groceries, energy and financial resilience coaching to break the cycle.

This enables them the dignity and security required to plan for tomorrow.



Provides funding to kootuitui



Provides cards that enable whānau to shop with dignity



Caps power bills



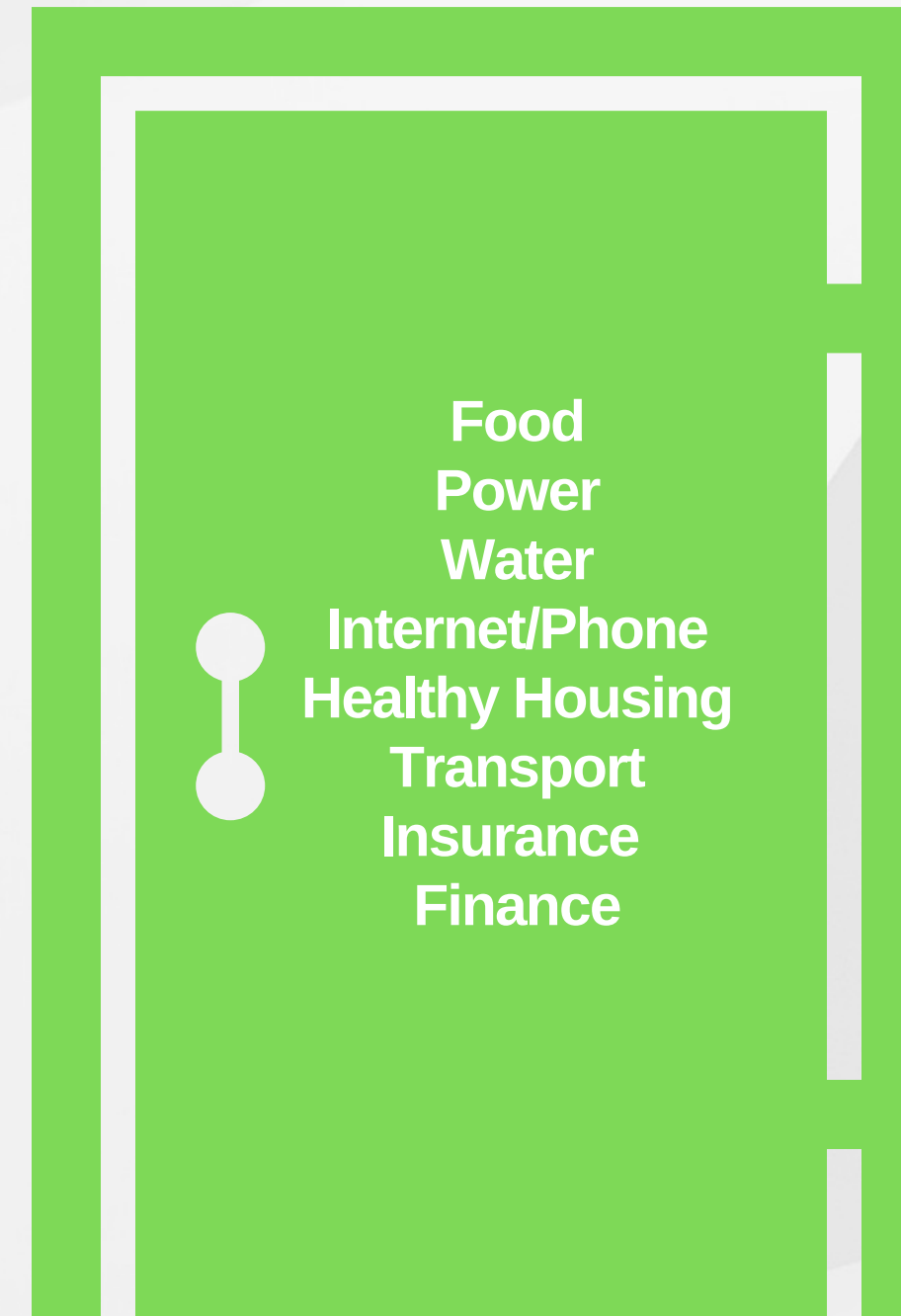
Navigates with whānau and provides healthy home fit out services



Appendix 2: One Stop One Story

A single platform that enables a person to tell their story one time and be connected to the best support for them – this could include a range of support services from accredited agencies brought together under the Thriving Aotearoa Partnership umbrella to strengthen financial resilience (eg. Budgeting, debt relief, social work, specialist support).

One Stop One Story is premised on existing methods and technology solutions proven in Australia.



Enabling frontline workers in corporate and community organisations to connect and refer their clients to a range of supports through a single access point. This makes it easier for people in need to access support from multiple service providers, reducing the burden and complexity involved in contacting each individual support program and repeating their story.