SYSTEMS CHANGE

SYSTEMS CHANGE

KEY INITIATIVES

- Welfare reform for self-employment via the three demonstration projects and advocacy
- Economic recovery from violence
- Financial pathways
- Home ownership (housing security)

GOALS/KPIS

- Achieve welfare reform required to support self-employment
- Implement R&D project “Economic Recovery from Violence” with systems changing actionable insights created
- Deliver and scale Financial Pathways programs and systems change agenda
- Complete pilot and develop scale model for housing program

SYSTEMS CHANGE

Priority 1

WELFARE REFORM FOR WOMEN'S SELF-EMPLOYMENT

Reforming the welfare system to support women's employment in micro business. Create evidence base for welfare reform via three demonstration projects.

Demonstration Projects:

1. Solo Mums on Parenting Payments (national)
2. Women with disabilities (national)
3. Women on Government Payments who have experienced violence (Geelong, Victoria)

Evidence Base & Advocacy:

- Collect evidence base
- Continue policy change advocacy

Priority 2

ECONOMIC RECOVERY FROM VIOLENCE

Health and wellbeing recovery from violence

This action R&D project aims to determine the necessary health & wellbeing support for women and their children to achieve recovery from violence. Recognise the effects of DFV on women's health and wellbeing - and establish the link with its long-term economic impact for women. The goal of this research is to establish the networks and support needed to get women back on their feet. Recognising the period of time where women are prohibited from economic participation (system barriers that are being encountered that are stopping women from economically participating) during this period of their life.

Priority 3

WOMEN'S FINANCIAL PATHWAYS

Women's Business Financial Education and Financial Product & Service Pathways

Creating a pathway to economic security for women in micro business. Enabling access to affordable, appropriate business financial education and financial products and services designed with women in micro business in mind.

Focus on:

1. Bank partnership for micro business loan product
2. Mortgage product (for Little Green Houses for Her and all Sisters)
3. Superannuation, savings or investment product
4. Financial advice

Priority 4

HOUSING OWNERSHIP FOR WOMEN

Little Green Houses for Her

Pilot: Access to home ownership via affordable housing and accessible finance designed for solo, low-income women. Micro community model with two single mother, and older woman household on one block with small houses and individual land titles.

Pilot the Little Green Houses for Her in 2 regional sites with 6-8 houses in total.

Develop the scale model for replication all over Australia.

WELFARE REFORM FOR SELF-EMPLOYMENT

Systems Change

Welfare Reform for Self-Employment

Removing structural disincentives and barriers to self-employment

The Issue

The Welfare System Works Against Women Trying to Become Self-Employed

Self-employment is one of the most effective pathways to economic participation and financial independence, particularly for women. However, the current welfare system works against women's achieving this goal. Instead of enabling the transition into self-employment, the system leaves them trapped on income support when unable to access quality, sustained work due to intersecting barriers formed by their circumstances.

The most significant barriers for women receiving Government benefits and wanting to be self-employed are:

- Counter-productive, burdensome reporting obligations and program requirements that focus on job-seeking rather than self-employment, creating unnecessary hurdles for those looking to start their own business
- Fluctuating benefits income that varies significantly based on reported businesses income, which is erratic in the start-up phase. This discourages women from attempting self-employment and adversely affects their financial stability
- Unemployment system that favours short-term casualised jobs, pressuring individuals to accept any available job over quality work that builds long-term financial independence.

These systemic barriers prevent women from starting businesses and becoming self-employed, ultimately trapping them in the welfare system. It is essential we reform these aspects of the welfare system so that women can break free of dependency and contribute meaningfully to the economy.

The Solution

Welfare reform to enable self-employment and exiting welfare permanently

The solution is a simple but highly effective policy change that will address the two key levers enabling women on welfare to become financially independent via self-employment:

1. Job-seeking Mutual Obligations replaced with Business Accountability Framework
2. Business income reporting suspended over a realistic business viability timeframe

The Policy Change Proposal

The Global Sisters proposal will help women move off welfare, at no additional costs to government, and in fact will save funding on welfare expenditure.

We propose that there is immediate reform of the legislative and administration blocks to self-employment and there is an alternative accountability system to support women on welfare to create their own jobs through business.

THE WELFARE SYSTEM WORKS AGAINST WOMEN TRYING TO BECOME SELF-EMPLOYED

Self-employment can be a highly effective pathway to financial independence for women needing genuine flexibility. However, the current welfare system often hinders women's ability to achieve this goal, leaving them trapped by their circumstances. Employment Services providers who are supposed to assist women in launching their own businesses describe the challenge as akin to "mixing oil and water."

The following recommendations aim to facilitate women's transition toward independence while incurring minimal costs for the government. In fact, there should be immediate savings in administrative costs, and over time, a significant decrease in welfare spending is anticipated.

The most substantial barriers faced by women on welfare are the counterproductive and burdensome reporting obligations and program requirements, as well as the unpredictability of income support, which can fluctuate dramatically in response to the volatility of business income during the start-up phase.

While the existing Self Employment Assistance (SEA) program partially addresses these barriers, it falls short for the women who need self-emplyment the most. The duration of assistance is limited to just one year, and the nature of the support often proves inadequate. This is particularly true for women with caregiving responsibilities, disabilities, new migrants, or those facing other challenges.

The two recommendations outlined right aim to rectify these inefficiencies and eliminate the most significant barriers within the welfare system that impede women's financial independence through self-employment.

These recommendations are informed by Global Sisters' extensive experience supporting thousands of women in their self-employment endeavors, primary research conducted with single mother entrepreneurs, consultations with NEIS and SEA providers over several years, and evidence gathered from programs funded by philanthropic, corporate and government including those from the Paul Ramsay Foundation, AMP Foundation, Google, DSS, Office for Women (PM&C) and the NSW Office of Social Impact Investment.

THE PROPOSED REFORMS

1 MUTUAL OBLIGATIONS

Should be suspended for the first 2 years for women pursuing self-employment and replaced with a *Business Accountability Framework*.

Current job-seeking requirements inhibit the journey towards a viable micro business, rather than support it.

During start-up women will be investing substantial effort into launching their business, which is not recognised by the Mutual Obligation system. These activities include all the unpaid work related to establishing and growing a business (particularly set-up and sales) as well as engaging in activities like accessing business coaching, undertaking business education and training activities, and participating in business community support programs.

2 BUSINESS INCOME REPORTING

Should be simultaneously suspended for the first 2 years recognising that business income in this time is likely to be minimal and eratic making it hard to estimate.

Over or underestimates can either inhibit cash-flow when it is needed or create a burdensome debt obligation.

Regular income reporting contributes to the administrative burden and often puts women and their children in situations of severe financial vulnerability and stress.

A guaranteed and consistent income helps women plan, prepare, and adequately invest in their business- creating a runway to sustainable income from self-employment.

ALTERNATIVE MUTUAL OBLIGATIONS FOR SELF-EMPLOYMENT

Systems Change

Welfare Reform for Self-Employment

The Business Accountability Framework

For the two years that the program runs, job-seeking Mutual Obligations (MOs) should be replaced with a simple Business Accountability Framework that is focused on seeing women hit key milestones towards a financially viable business, rather than the traditional job-seeking MO framework, which is largely counterproductive to these goals.

Unlike SEA Mutual Obligations, this framework would include business program participation (activities) and progress against business development milestones.

Global Sisters has a DSS funded social impact framework that can be used to track women's journey to self-employment. This can easily be adopted to demonstrate that adequate progress is being made to warrant ongoing participation in the scheme. Key milestones may include things like:

- completion of a practical business skills course
- development of a business plan, making their first sale
- acquiring their first 10 customers and revenue targets.

Global Sisters can work with the Department to create a framework that organisations such as Global Sisters can report on for individuals. We are already doing this for the NSW Government Payment by Outcomes employment program with Solo Mothers on Parenting Payment Single.

Revenue target example

Single Mothers with a youngest child under the age of 14 that wish to be eligible for the parenting payment single (PPS) are expected to complete

15
hours

of Mutual Obligations per week, or otherwise be earning the equivalent of 15 hours of income at the minimum wage ($361.50) to exempt them from other mutual obligations

This creates a clear revenue target to aim for and track against for this cohort.

Flowchart

WELFARE TO SELF-EMPLOYMENT

Systems Change

Welfare Reform for Self-Employment

INCOME SUPPORT PAYMENTS

Income support

Woman receives income support & indicates she wants to be self-employed.

Income support & no business income reporting

Continues to receive income support; no business income reporting in the first 24 months.

Reports business income; reduction in income support

Starts to report business income. This reduces income support payment amount.

Exits Welfare System

EMPLOYMENT AGENCY

Workforce Australia Provider

Mutual obligations (start if youngest child is >6)

15 hours expected mutual obligation per week or equivalent in the Point Based System.

Mutual obligations

Mutual obligations are fully met by participation with Global Sisters & achieving the **Business Accountability Framework** milestones.

Exits Workforce Australia

Business earning sufficient income to move off welfare and exit Workforce Australia relationship.

GLOBAL SISTERS PROGRAM

Minimum of 15 hours per week receiving support from Global Sisters and working on their business.

Woman informs Employment Agency that she wants to pursue self-employment/ business and is a Global Sisters member/ program participant.

MONTH 0-6

She is provided with 6 months of business ideation and establishment support. She works a minimum of 15 hours p/week on the business and accessing business support.

Continuous support

MONTH 6-12

She launches her business and generates her first sales. She continues to work on the business and receive Global Sisters business development support for over 15 hours p/week.

MONTH 12-24

Her business has its first 10 customers and has a regular, sustained income. She continues to work on the business and receive business support for over 15 hrs p/week.

Financial independence

MONTH 24+

She is earning above the welfare threshold and starts business income reporting; She starts to move off income support.

ENABLING WOMEN TO BE SELF-EMPLOYED AND MOVE OFF WELFARE PERMANENTLY

- Guaranteed income support for 24 months: stable base of livable income support required to become permanently self-employed.
- No business income reporting (that affects income support payment amount) for 24 months.
- Mutual obligations are a Business Accountability Framework for self-employment NOT job seeking.
- Self-employment a genuine pathway to financial independence as she has the time and support needed to set up and grow a viable business.

GLOBAL SISTERS

WELFARE REFORM FOR SELF-EMPLOYMENT

Systems Change

Welfare Reform for Self-Employment

TIMELINE & MILESTONE KPIS

RATIONALE

What and why?

- Demonstration projects with 3 cohorts on different government income supports
- Plan to create an evidence base of the conditions and legislative/ policy changes required to support women off income support via self-employment

INPUTS/ KEY ACTIVITIES

- Hire new team member for Government relations/ advocacy
- Re-develop strategy with this new resource
- Deliver the three demonstration projects:
  - Solo Mums on Parenting Payments
  - Women with Disabilities
  - Women on Government Support recovering from violence
- Establish a collaborative group of philanthropic and not-for-profit organisations pursuing this change
- Evidence base, position papers, campaigns and advocacy proposals (including media if necessary)

3 YEAR OUTCOMES

- Temporary carve out or local exemptions enable effective demonstration projects with the 3 cohorts
- Permanent, national policy and legislative change that enables self-employment for women receiving income support

GLOBAL SISTERS

WOMEN'S FINANCIAL PATHWAYS

Systems Change

Financial Pathways

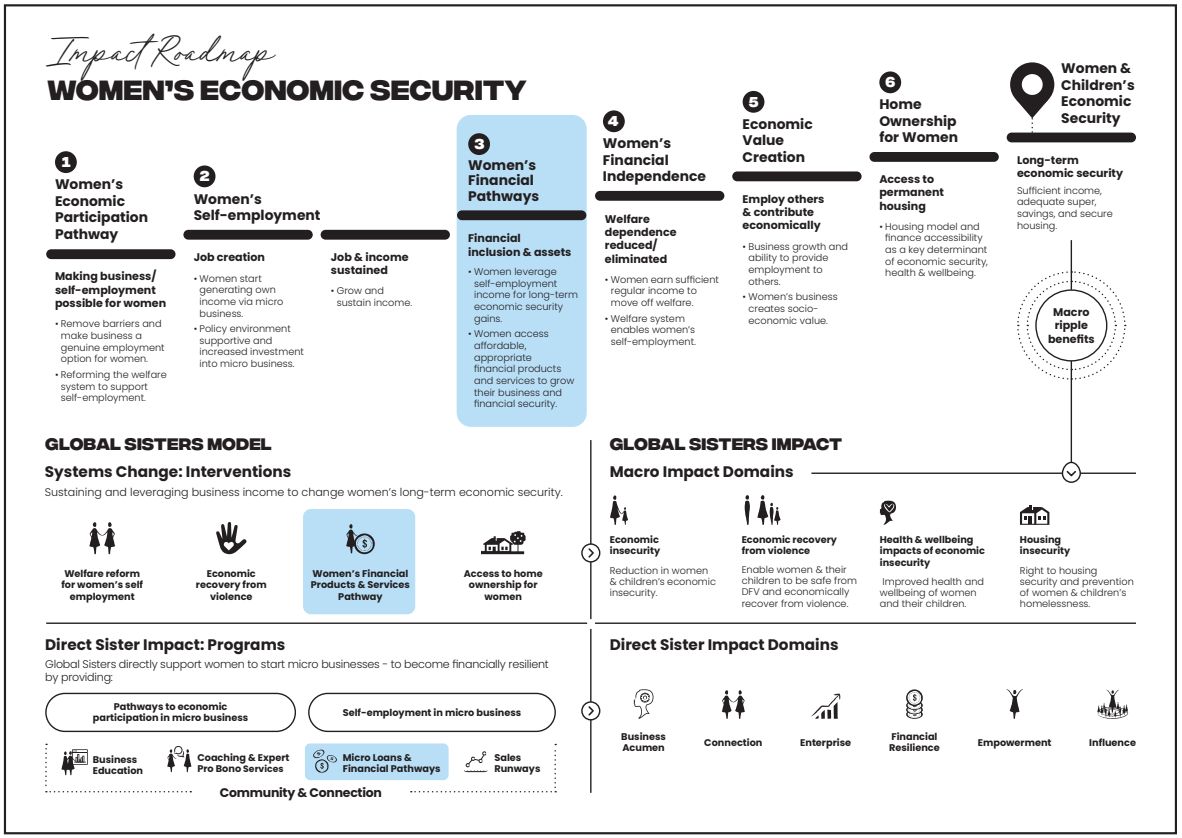
Financial Pathways is both an internal program and systems change intervention as shown in the highlighted sections of our Impact Roadmap.

Global Sisters has been offering **micro business loans** since its founding. Initially, the uptake of these loans was low, leading us to realise that early-stage micro loans were not the first need or a comprehensive solution for women in the Global Sisters cohort. This insight initiated a research and development process aimed at addressing the unique business financial and funding requirements of self-employed women and the specific challenges faced by female-founded micro businesses.

Responding to the initial requests from our Sisters, we formed a partnership with a mainstream **business insurance** provider to enhance access to essential financial products. Through this collaboration, we gained valuable insights into the systemic barriers that persist in the financial services sector for both women and micro businesses.

A three-year research and development project with Ecstra allowed us to gain a deeper understanding of the **business financial needs and acumen** of our cohort. Our goal was to identify how Global Sisters can best support these needs and to advocate for **financial inclusion**- the necessary changes in government and corporate policies to create financial products and services that align with their business requirements, ultimately fostering long-term economic security.

We refer to these initiatives and our systems change efforts as "**Financial Pathways**." Financial Pathways aims to unlock access to financial products and services for self-employed women, integrating them into financial systems that empower them to forge their own pathways to economic security. See diagram below.



GLOBAL SISTERS

FINANCIAL PATHWAYS

Systems Change

Financial Pathways

KEY ACTIVITIES

- Hire a Financial Pathways staff member who will run the internal Financial Pathways program including the content on the app, existing financial partner relationships and delivery of the micro loan program.
- Improve delivery of the micro loan program, integrated into the other Financial Pathways support offerings.
- Continue the loan program and collect data for bank partnership. See Diagram.
- Develop bank partnership development.
- Develop other key financial product and service partnerships.

OUTCOMES

- Business financial acumen and capability developed across cohort.
- Finance portal on app provides access to trusted business financial information.
- Earliest stage business finance available for women's micro business development.
- Women's micro business supported to access formal finance from banks and accessing the early stage finance they need to start and grow their businesses.
- Women's financial inclusion in all key financial products and services. See Diagram.

FINANCIAL PATHWAYS

Systems Change

Financial Pathways

GLOBAL SISTERS

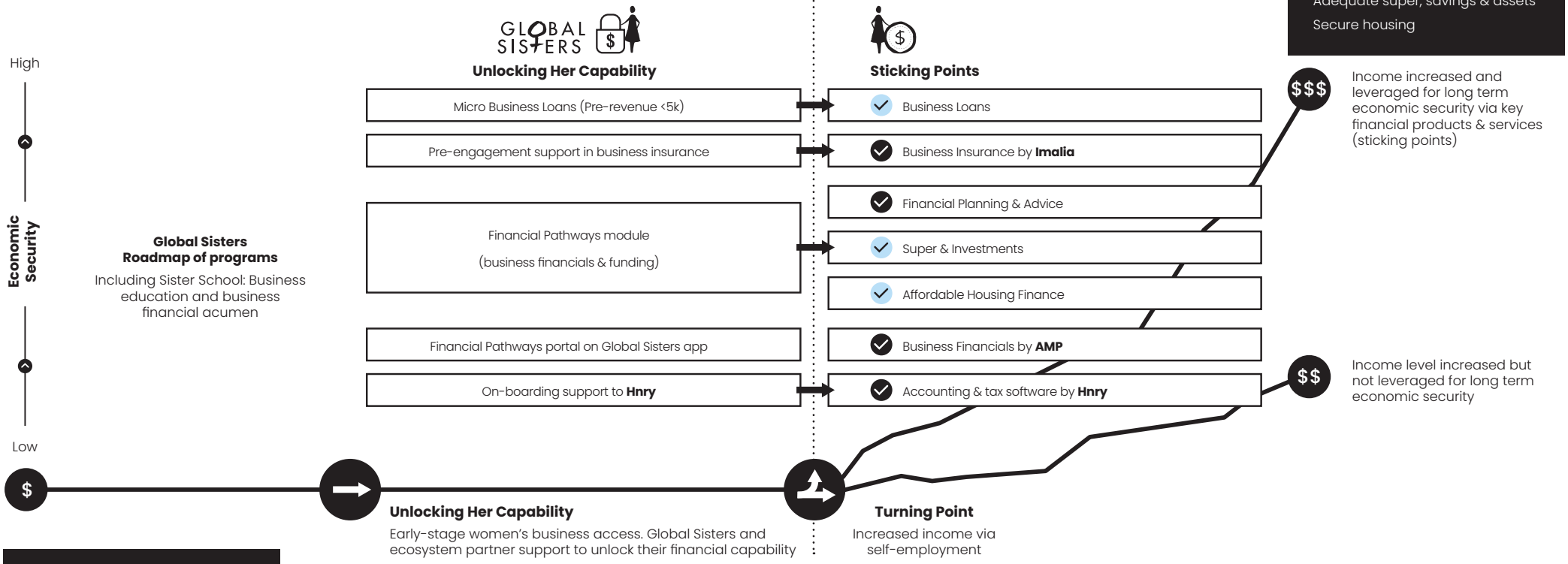
Global Sisters delivers Financial Pathways support to women as part of the long-term Roadmap of business support. These programs are listed below.

FINANCIAL SECTOR PARTNERS

Global Sisters partners with the financial sector to design and deliver financial products and services designed for women & micro business.

Women's Economic Security

- Sufficient income
- Adequate super, savings & assets
- Secure housing



Women's Economic Insecurity

- Unemployment/underemployment
- Low income
- No/low super, savings & assets
- Excluded financial advice & planning
- Insecure housing

1. **Quality assured business financials**
   Global Sisters provides business financial education and Sisters are then referred to AMP for 1:1 business financials support. Qualified business financials enables women to apply for business finance.
2. **Informed financial product & service choice**
   Support to determine the best type and provider of financial products / services for their stage of business. Global Sisters provides education and referral pathways for business financials and insurance, and plans for loans and other financial products / services.
3. **Financial Pathways Portal**
   Sisters can access a life-cycle of curated, trusted financial resources, tools and education that self-employed women need on their path to economic security.

Turning point

The "turning point" is when women start to earn regular income. Unless they can leverage that income AND access the financial support, products and services that are needed, they can fall back into economic insecurity.

Sticking points

The "sticking points" are when our ecosystem partners provide affordable, accessible financial products and services to women.

✓ Partnership conversations are in progress or starting now.

TIMELINE & MILESTONES

Systems Change

Financial Pathways

Over the next three years, Global Sisters will focus on achieving the following formal financial service partnerships to design products and services designed for women in micro business:

2025

YEAR 1

- Bank partnership for micro business loan product
- Mortgage product (for Little Green Houses for Her home owners, and all Sisters)

2026

YEAR 2

- Superannuation, savings or investment product

2027

YEAR 3

- Financial advice

Business Loans Partnership

Global Sisters aims to enhance access to micro business loans, addressing the significant gap in early-stage business financing. Before establishing partnerships with banks to tackle the funding disparities faced by women entrepreneurs, it is essential to demonstrate a robust pipeline of micro businesses that require capital and possess the capability for repayment. Our objective is to expand the volume of our internal micro loan program. By doing so, we will validate the demand for these loans and showcase the quality of repayment among borrowers, thereby strengthening our position in the market and paving the way for future funding partnerships.

HOUSING OWNERSHIP FOR WOMEN

Systems Change

Housing Security

Affordable, sustainable, intentional asset creation for vulnerable women

HOUSING INSECURITY

COSTS

SECURE HOUSING

via Little Green Houses for Her women's home ownership & micro community model

IMMEDIATE BENEFITS

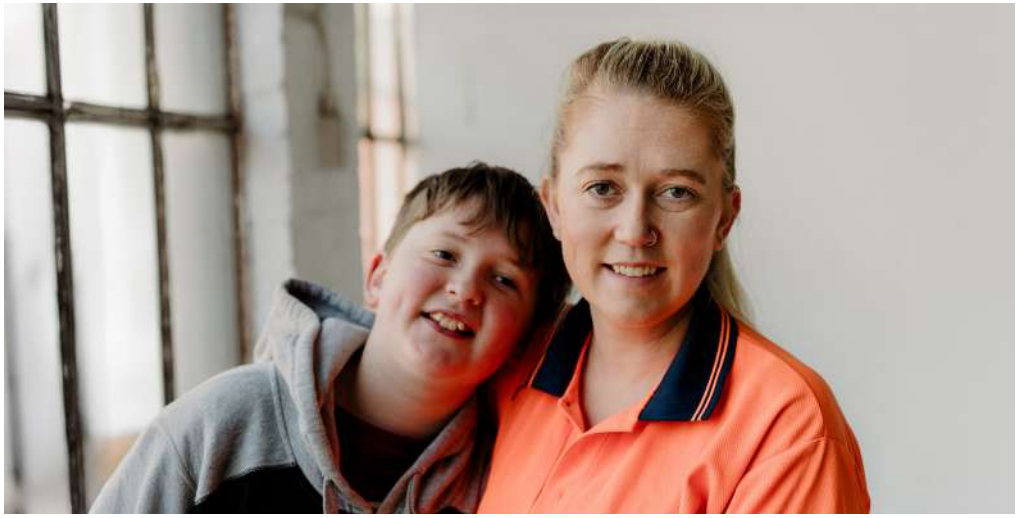
PERMANENT HOME OWNERSHIP

via Little Green Houses for Her

LONG-TERM BENEFIT

An affordable, housing ownership model - for women and their children at risk of homelessness - offering immediate and generational environmental, social and economic benefits.

We propose to address this problem by building passive homes that are environmentally friendly, modular in design, scalable and come with the instant in-built support of a micro-community.



Target cost per dwelling + land

$300K

1. **Acquire an 800m² sized block of land and subdivide into 4 separate titles.**
2. **Build 4x affordable, stand alone, energy efficient, sustainable, beautiful houses.**
3. **Work with impact investors and the finance sector to support concessional loans using an innovative finance model.**
4. **The Micro Community receives wrap around support including financial literacy and planning support while they are building asset ownership and intergenerational equity. They can also access long term, comprehensive business start-up support if self-employment is of interest.**

GLOBAL SISTERS

Modular, energy efficient, sustainable and beautiful affordable homes that help break the work-to-rent cycle and are cheaper to run.

Systems Change

Housing Security

We have partnered with Aspect Design Studios to co-design a modular home purpose built for vulnerable women that can be produced at scale. We are keeping manufacturing costs low by reducing material wastage, deploying recycled components and producing the modular components near to the site. The homes prioritise energy efficient features such as superior insulation, FSC-certified timber, bamboo and solar energy. This passive design will enable the home owners who are vulnerable women to save on running costs and instead invest those savings into their families.

Our housing designs are affordable, energy efficient, sustainable and beautiful. They are functionally designed at approximately 70m2 (bigger than a tiny house) with modules able to be added for more space. We are also continuing to explore innovations in housing design and building that support cost reduction, energy efficiency and environmental sustainability as well as social benefits.

View fly-through

Energy costs traditional home each year

$5,244

Energy costs passive home each year

$1,333

Savings per decade to spend on the family

$39,000

Rewiring Australia, 2024

The Little Green House Micro Communities model counteracts the cultural trend of larger, resource intensive houses, encouraging a more modest, sustainable lifestyle and ultimately a more connected, equitable and sustainable society.

GLOBAL SISTERS

MICRO COMMUNITIES

Systems Change

Housing Security

Interconnected long-term support

We know that it takes a village to raise children and that people are happiest when they have personal security, financial flexibility, autonomy but also social support and interaction.

Research shows a strong connection between youth psychological distress and concerns about housing safety and stability, with factors like housing insecurity, affordability issues, and lack of a safe place to live significantly contributing to mental health problems among young people, including anxiety, depression, and stress.

We propose that four separate, functional, beautiful Little Green Houses become a home for three single mother families and an older single woman.

This model creates an instant social support network and increased levels of personal security for those living with social isolation, loneliness and/or other vulnerabilities affecting health and wellbeing.

Micro Community Living

- **Affordable**
- **Accessible finance with stable interest rate**
- **Energy efficient**
- **Environmentally sustainable**
- **Scalable**
- **Modular rapid construction**
- **Housing stability and security**
- **Social support and community development**

COUNCIL COOPERATION

Working in partnership to solve a national socio-economic crisis at the local community level

The nature of these Micro Communities of Little Green Houses means that in most circumstances, there will need to be co-operation from council regarding subdivision size and zoning regulations. These are small houses, with small footprints, designed to be appropriate for their blocks while facilitating both privacy, safety and community. This will mean forward thinking councils that want to try this model must be willing to alter or provide exemptions to current regulations regarding subdivisions and be interested in the social, environmental and financial benefits.

SDG 11

Sustainable Cities and Communities

Target 11.1 Safe and affordable housing for all by 2030.

INNOVATIVE FINANCE

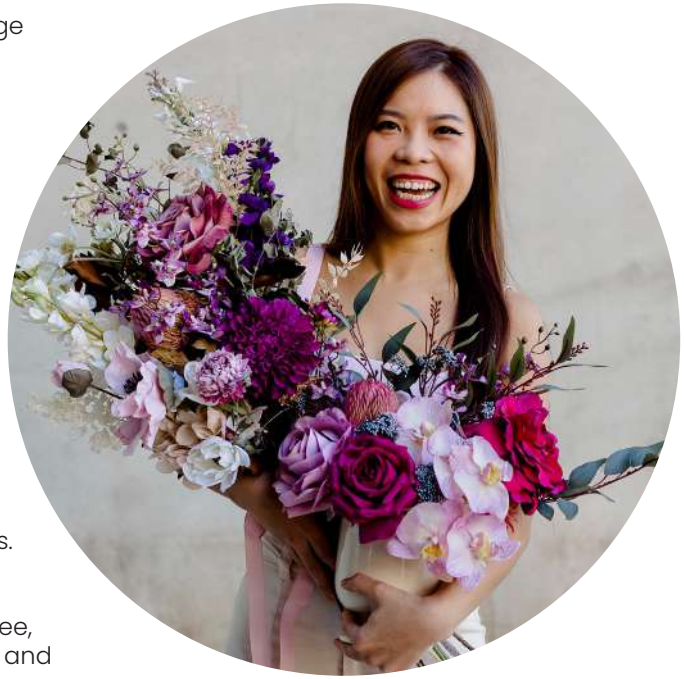
Systems Change

Housing Security

Enabling women to borrow and buy

We are working closely with Regional Australia Bank as well as other financial providers and experts to create a mortgage product accessible to women currently locked out of the housing + finance market.

The women Global Sisters supports are living on or below the poverty line - on parenting payments, JobSeeker, age pension and/or with modest business or employment income. They have additional barriers to surmount while trying to access any sort of finance and are often subject to added layers of bias. They require specific finance designed for their needs to secure affordable housing and take steps toward home ownership.



A triple set of circumstances prevent vulnerable women accessing housing finance

Lack of income, financial collateral, assets or credit rating.

Discrimination due to factors such as ethnicity, disability, age or solo mother status.

Lack of confidence asking for help, fear and shame.

Recognising the challenges that women in such circumstances experience in trying to obtain financing, we propose a concessional loan scheme tailored to their needs.

Despite the systemic barriers working against women and home ownership, they are fiercely committed to repayments. By partnering with impact investors, banks and foundations, we are working on a model that gives women a chance to access a tailored mortgage product with a deposit guarantee, an upfront payment, similar to the First Home Owners Grant, and competitive loan terms to make home ownership a reality.

These women are fiercely determined to pay for a stable family home

A woman's weekly repayment servicing a 30 year mortgage on a Little Green House would be $393 each week (indexed to CPI but fixed interest rate of 3%)

Compare this to full market rental rates where the majority of private rentals are twice the price. The Little Green House model creates an affordable pathway to home ownership, substantial savings on running costs and a system breaking change to create intergenerational equity.

Once housing security has been achieved, each new home owner has a solid foundation and community support which enables them to move toward economic independence.

GLOBAL SISTERS

FUTURE-PROOFING

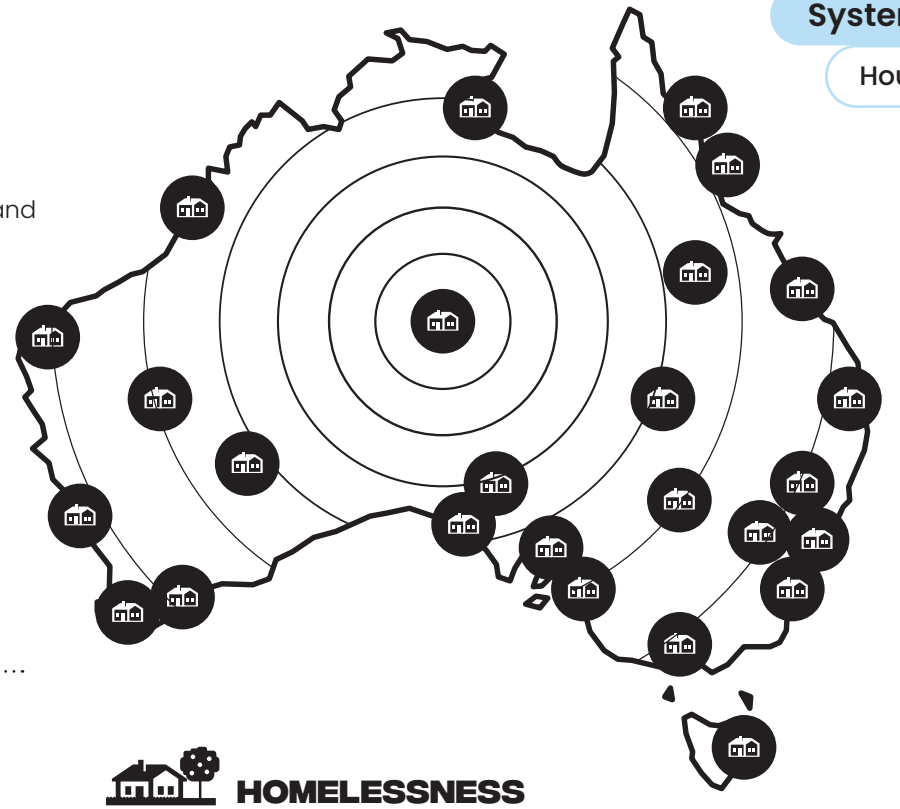
Systems Change

Housing Security

Leading the way to housing ownership, economic security, connected communities and more sustainable living.

This project offers a long term pathway to housing ownership with all the benefits and security that represents. It means the money being paid each week on social or private rental is being used to benefit the economic security of the resident long term and providing an opportunity to acquire a significant asset into the family.
It offers Councils and local communities an easily accessed solution for the most basic need of their most vulnerable women and children - housing for those at risk of homelessness and lifelong poverty.

This model could be deployed into regional communities across Australia quickly - building sustainable, stronger families and communities.



ELEVATES & ADDS VALUE TO LOCAL AREAS

Unlike traditional social and affordable housing, the social, economic and environmental benefits of the micro communities add value to local areas. They support the local economy not only in the build phase but in an on-going way.

HEALTH & WELLBEING

Removal of housing insecurity removes this source of chronic stress, and negative impacts on emotional and mental wellbeing. The development of intentional micro communities promotes mutual support and belonging while reducing isolation and loneliness among women residents and their children - a social determinant of health.

ADDRESSING INTER-GENERATIONAL POVERTY

It enables the creation of an asset base that can be leveraged and passed down to children, promoting intergenerational economic security. Reduced living costs through less dependence on utilities via the energy efficient, green design and smaller size means more dollars for other essentials.

HOMELESSNESS

It offers women and their children access to stable and secure housing, ensuring their most fundamental needs are met. It provides critical safety, security, constancy and privacy. Our finance model provides a guaranteed maximum interest rate for a permanent stable foundation from which to build a life.

DOMESTIC & FAMILY VIOLENCE (DFV)

This is an accessible housing solution that provides a self determining opportunity for women to get out and stay out of DFV situations, even if they are dependent on welfare.

ENVIRONMENTAL SUSTAINABILITY

State of the art, 7 star energy rating! Eco, low-carbon footprint design, construction and on-going costs. Utilising a passive design with well insulated walls for thermal control, high performance tinted double glazing, solar panels and rainwater storage, these small footprint designs reduce environmental impact, helping to meet local environment carbon reduction goals, as well as ongoing energy bills for the vulnerable residents.

TIMELINE & MILESTONE KPIS

Systems Change

Housing Security

2025

YEAR 1

Pilot housing in 2 locations:
Armidale and Geelong

2026

YEAR 2

Continue pilots
Develop model for scale

2027

YEAR 3

Expand Little Green Houses for Her
to other locations nationally

ECONOMIC RECOVERY FROM VIOLENCE

Systems Change

GLOBAL SISTERS

Global Sisters

THANK YOU

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