



# ASIC's Indigenous Financial Services Framework

## Indigenous Super Summit

Thursday 22 June 2023



## SUMMARY DOCUMENT

## Background

This year, ASIC facilitated the Indigenous Super Summit for 2023, which has traditionally been coordinated, facilitated and hosted by the Australian Institute of Superannuation Trustees (AIST). AIST has hosted several Indigenous Super Summits between 2015 and 2019.

The Indigenous Super Summit provides an opportunity for representatives from the superannuation industry and government bodies discuss opportunities for progress in addressing the unique and often complex challenges First Nations peoples can experience with access to and engagement with their superannuation.

ASIC is grateful to the superannuation industry associations for promoting this event to their members. A list of the organisations that attended the workshop is available at Appendix 1.

## Summary of summit presentations

### Opening remarks – Commissioner Danielle Press, ASIC

Ms Press encouraged attendees to engage with ASIC's Indigenous Financial Services Framework to build an understanding of First Nations' perspectives and experiences, and to pro-actively embed that understanding into their work with First Nations customers.

Ms Press reiterated ASIC's view that trustees who are taking relevant and appropriate steps to assist First Nations members to engage with, and access their super are acting consistently with their Best Financial Interests Duty (**BFID**).

Katrina Ellis, General Manager from the Australian Prudential and Regulation Authority (**APRA**) also supported Ms Press' comments regarding the BFID. Ms Ellis emphasised the importance of trustees knowing who their members are and what they need, and the BFID is not a regulatory barrier to doing that work.

## **AIST's Indigenous Super Working Group - Mel Birks, Deputy CEO and GM Advocacy, AIST**

Ms Birks spoke about the work of the Indigenous Super Working Group (ISWG).<sup>1</sup>

Ms Birks noted the ongoing need to close the gap in superannuation savings with First Nations Australians holding one third less superannuation than other Australians on average when they retire. Further, with the current lower average life expectancy, some First Nations Australians may not benefit from superannuation. Overall, super funds can not overlook this demographic.

Ms Birks reflected on messages from speakers at previous Indigenous Super Summits, highlighting key points for attendees:

- Any knowledge of money must be connected to traditional knowledge.
- Treating First Nations peoples differently to provide a better service is not discriminatory.
- Funds need to be more flexible and accommodating in how they service First Nations Australians.

The ISWG has fostered meaningful action on funds' Reconciliation Action Plans to boost relationships and respect and worked closely with AUSTRAC to develop non-conventional identification guidance. The first guidance was released in 2016 and the latest iteration of the guidance was released in December 2022. Ms Birks stated the guidance is great, and funds need to use it and potentially be required by regulators to use it.

The ISWG will continue to push for changes to kinship laws, the adoption of the AUSTRAC guidance and collection and use of Indigenous status data.

## **Servicing First Nations consumers from a risk perspective - Stephen Huppert, Consultant**

Mr Huppert asked funds to consider the meaning of risk.

*"By not servicing First Nations Members, we are not addressing the risk to them of not having a dignified retirement."*

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<sup>1</sup> The ISWG is made up of 28 organisations with 40 members, four of which identify as Indigenous peoples.

Mr Huppert spoke about the opportunities and responsibilities for funds to consider their First Nations members and the alignment with existing strategies focused on personalisation and human centred design. He encouraged funds to get to know members better and to communicate with them. This is also encouraged by APRA in its [discussion paper on Strategic Planning and Member Outcomes – Proposed Enhancements](#), where APRA stated their expectation that funds need a deep understanding of their membership base so they can address the needs of these cohorts, and this extends beyond simplistic grouping – cohorts that only reflect age, product and investment options.

Mr Huppert also raised the Retirement Income Covenant which requires Trustees to develop a strategy to identify the retirement income needs of fund members, and to develop a plan to service those needs. The [Retirement Income Covenant Explanatory Memorandum](#) encourages trustees to conduct cohort analysis to identify subclasses as part of strategy, including demographic considerations such as whether members are Aboriginal and/or Torres Strait Islander peoples.<sup>2</sup>

*“Just because the task is overwhelming, doesn't mean we don't tackle it. Doesn't mean we don't start.”*

Mr Huppert acknowledged the great work of some funds in starting to try to meet the needs of First Nations cohorts and that the challenges faced by First Nations peoples in relation to superannuation were the consequence of broader social irregularities. The superannuation industry cannot fix the underlying social drivers of disadvantage but can take steps to ameliorate the challenges – superannuation is #NotSuperYet.

**First Nations Peoples' experiences of superannuation - Alex Price-Busch, Financial Counsellor Indigenous Consumer Assistance Network (ICAN) & Carolyn Cartwright, Managing Director & Financial Counsellor, MoneyMob Talkabout – facilitated by Ruth Stringer, Minter Ellison**

Ruth Stringer facilitated a thought-provoking and engaging conversation with financial counsellors, Carolyn Cartwright from MoneyMob and Alex Price-Busch from ICAN.

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<sup>2</sup> See Retirement Income Covenant Explanatory Memorandum para 17.31

Ms Cartwright shared an example of the challenges experienced by First Nations peoples in remote areas engaging with super funds:

A First Nations community member from the APY Lands, more than 80 years of age, needed to engage with his super fund. The man had worked as a stockman over his life, had limited formal education and was illiterate. When he called the fund, the fund's staff member used unfamiliar language, alienating the man who couldn't understand and respond to the question (i.e. "What is the nature of your enquiry?"). Ms Cartwright spoke with the super fund staff member, explaining her client was elderly and illiterate and needed assistance to understand the questions. Rather than using plain English and simple questions, the staff member directed Ms Cartwright's client to engage with the fund via their webpage or email. Further, with Ms Cartwright in the room to assist, the staff member asked Ms Cartwright's client to confirm Ms Cartwright's full name, job title and email address even though he had already explained his circumstances.

Further examples of challenges experienced when engaging with funds included:

- With fund growth and fund mergers, previous proactive and positive approaches appear to have been derailed. A lack of understanding of First Nations members' circumstances, such as not understanding the challenges with members having access to the phone linked to their myGov account,
- The time required to assist clients with accessing super far outweighs the capacity with which MoneyMob and many remote services are resourced to respond – particularly when clients have far more pressing issues that need attention in relation to poverty, debt, and personal financial issues. This then becomes an equity issue for clients being able to access super in a timely and appropriate manner.
- The importance of funds accepting financial counsellors' authority documentation, rather than funds requiring members to complete a fund-specific authority form – particularly given previous progress and commitment to accept these forms.

Ms Cartwright spoke of the importance of tailoring services to First Nations members and the mutual benefit of funds travelling to communities, noting that on-the-ground community experience was eye-opening for funds, assisted with building cultural competence and was a means to addressing accessibility issues for remote super members.

Mr Price-Busch suggested that where funds/insurers know their member will receive a large TPD payout, they should offer them a direct referral to free financial counselling to provide some support to manage a big pay out.

**Best Practice Engagement with First Nations members in the context of superannuation - Lyn Melcer & Graeme Marrinan, Australian Retirement Trust and Debra Mansfield, AustralianSuper**

This session focused on super funds showcasing some of their best practice engagement activities, and how funds could also consider opportunities to improve engagement and access to super for First Nations peoples.

Key insights from the panel participants included:

- Don't assume that everyone has the same starting point.
- Don't assume people will have identity documents because they don't live remotely. Ms Melcer assisted a man who was born in 1965 in a Sydney Hospital who said his birth wasn't registered because his mum was told "*we don't register black babies*".
- First Nations people may raise other people's children without a formal adoption.
- Share your learnings and experiences with your colleagues so we can all learn from one another.
- Phone-based services won't be the whole solution.
- Don't assume all communities are the same.
- The approach should be "*Respectfully curious, or curiously respectful*". Putting your foot in it can be a part of learning.
- Build trust by doing what you say you'll do. When you build trust, it increases your reach.
- Promoting events and tacking them on to community events can be a good way to ensure people will attend. Radio is the best way to advertise events in the Torres Strait.
- When on the ground, try to get people in touch with their funds straight away.
- Try not to use jargon.

- Consider assisting members with lost and unclaimed money searches.

Panel members reflected on how they implemented changes based on their experience:

- ART received feedback that branded envelopes were associated with a person coming into money that resulted in financial abuse, prompting a move to unbranded envelopes.
- AustralianSuper developed a [radio series](#) with Central Australian Aboriginal Media Association ([CAAMA](#)) to promote super in a culturally appropriate way, informed by First Nations peoples and the program was recorded in multiple languages.
- AustralianSuper has also launched a pilot translator service in the contact centre to further support First Nations members
- Prioritising on-the-ground assistance and assisting First Nations community members to engage with other super funds while conducting outreach activities.
- Thinking outside the square for death benefits on who can assist or be contacted for the necessary evidence – police, funeral agents etc.

#### **ATO Session - Emma Rosenzweig, Deputy Commissioner, ATO**

Ms Rosenzweig addressed the Summit on the ATO's work on [reconciliation](#) and their services for First Nations Australians, including their:

- Indigenous Helpline – 13 10 30
- [Tax Help program](#)
- Participating in First Nations Foundation Financial Wellness events
- Proactively reuniting people with lost super accounts
- [Super Health Check](#)

#### **AUSTRAC Session - Stephen Munro, Principal Specialist, Reform Policy and Mutual Evaluation, AUSTRAC**

Mr Munro spoke about AUSTRAC's guidance for [assisting customers who don't have standard forms of identification](#), which was updated in 2022.

Fundamentally, the customer due diligence obligation under Australia's anti-money laundering laws requires funds to be satisfied that their customer is who they claim to be. AUSTRAC recommended funds use this guidance to develop and implement ways to verify a customer's



identity where they don't have standard forms of identification. AUSTRAC also provided relevant examples of alternative identification options for the First Nations customer cohort (e.g. a reference from an Elder, community workers or land councils).

AUSTRAC encouraged funds to develop and implement their own alternative customer identification and verification procedures and to document their procedures and processes to assist and train staff. This would allow funds to use a flexible and compassionate approach to customer identification processes to support financial inclusion and assist First Nations customers who don't have standard forms of identification.

### **Commitment to First Nations peoples - Australian Sustainable Finance Roadmap - Kristy Graham, Australian Sustainable Finance Institute (ASFI)**

Ms Graham spoke of the ASFI's purpose to realign the financial services system so more money flows to activities that will create a resilient and inclusive Australia. The ASFI published its [Roadmap](#) in 2020, which has a strong focus on self-determination for First Nations Australians. It focusses on the importance of free, prior and informed consent.

Under the Roadmap, the ASFI's role is to work across industries, key stakeholders, and government to co-ordinate results, rather than doing all the work themselves – this complements ASIC's Indigenous Financial Services Framework. ASFI has appointed an Indigenous Program Lead who will start in late June 2023 and is also establishing a First Nations reference group to advise ASFI on its flagship project to improve disclosure of First Nations risks, impacts and outcomes by corporates and financial institutions.

### **Building an understanding – Indigenous identification data - Carlos Lopez, HESTA**

The importance of building an understanding of First Nations peoples' engagement with superannuation through data collection was discussed in the last Indigenous Super Summit in 2019. Eva Scheerlinck, CEO of AIST, challenged funds to gather data on where their First Nations consumers live to improve their engagement with First Nations communities and to improve superannuation outcomes. Ms Scheerlinck said that there was a need for more creative approaches to partnerships and greater collaboration between funds and service providers.





In another industry workshop hosted by ASIC with a range of financial services sectors, this topic was explored through guest speakers including:

- AFCA spoke to its commitment to ensure that First Nations peoples have equitable access to external dispute resolution processes and to hold its members to the same standard. This includes considering and adapting information obtained from complainants to also capture data on consumers who are First Nations peoples. AFCA began collecting this data after consulting with the FCA's First Nations network on whether to ask, and how to ask complainants if they identify as of First Nations heritage. AFCA tested, adjusted and explored options for collecting this data. AFCA considered that by collecting this information they could provide the complainant with additional support where needed, such as engaging a First Nations interpreter, support services like a financial counsellor or legal adviser, and be conscious of mental health and family violence issues. Having this information also allowed AFCA to consider cultural factors for First Nations peoples relevant to a dispute, such as kinship relationships, sorry business or traditional roles.
- Reconciliation Australia spoke about its focus on impact measurement. They spoke about data making it possible for organisations to notice barriers that stand in the way of creating pathways for First Nations peoples. This is a key challenge for big organisations that look at large scale data – consideration should be given to First Nations communities, which are a small proportion of the population and face unique geographical barriers, making it easy to miss key data insights. Reconciliation Australia said there was a need to understand the experience of First Nations consumers from various angles, including from a risk and reputational perspective. Finally, Reconciliation Australia commented that organisations should also be thinking about how data systems and strategies were being informed by First Nations consumers and communities to ensure key lessons from a First Nations perspective were not missed.

All levels of Government are working on developing data-driven insights in outcomes for First Nations Australians as part of the National Agreement to Closing the Gap. ASIC has a strong interest in the use of data for outcomes measurement and has incorporated these into its [most recent RAP](#).

To further the conversation on this important topic, ASIC invited Mr Lopez to speak about the ISWG's working group on the collection of Indigenous data. Mr Lopez recognised the long-



standing discussion of the need for super funds to know their First Nations members and collect Indigenous data. While there is no industry-wide plan to collect data, the Retirement Income Covenant encourages funds to take this responsibility to better understand members' needs.

As a starting point, the ISWG acknowledged that data collection must be for a clear purpose and have guard rails so First Nations members can trust it won't have adverse consequences. It is also important to engage with First Nations stakeholders to develop an appropriate and respectful approach.

### **Discussion – innovative initiatives, effective solutions, and best practice examples.**

In the final session of the Summit, Mr Huppert facilitated a conversation with attendees about current trends in First Nations' superannuation.

Attendees discussed that there are opportunities and challenges when funds merge and the best and tested approaches to engagement should prevail.

Some funds are keen to collect members Indigenous status but want to understand any impacts on their members' insurance. This is a matter that the super industry would like to progress with the Council for Australian Life Insurers.

Representatives from one fund shared their experience of developing a paper on data collection. They concluded that when collecting data, it was important to have a communication strategy and to make sure that privacy and security risks are well managed.

Another fund spoke about co-designing educational resources with the member's union and the employer to make sure that the message is tailored to what each group wants to know, from who, and in what form.

Sharing stories from outreach at business meetings in a segment called "*Sharing stories from the heart*" has allowed employees across one fund to engage with the opportunities to do better for First Nations members.



## Staying in touch

If you would like to contact ASIC's Indigenous Outreach Program in relation to this work, please email us at [Indigenous.fs.framework@asic.gov.au](mailto:Indigenous.fs.framework@asic.gov.au). We look forward to keeping you up to date as we continue this important work.



## Appendix 1: Organisations in attendance

15 Times Better	Allens	AMP Superannuation Trust
Anglicare	AnglicareNT	Association of Superannuation Funds of Australia
Australian Financial Complaints Authority	Australian Financial Securities Authority	Australian Institute of Superannuation Trustees
Australian National University	AUSTRAC	Australian Taxation Office
Australian Financial Complaints Authority	Australian Institute of Superannuation Trustees	Australian Retirement Trust
Australian Super	Australian Sustainable Finance Institute (ASFI)	AvSuper Pty Ltd
Aware Super	Brighter Super	Catholic Super
CBUS Super	Commonwealth Bank of Australia	Commonwealth Superannuation Corporation
Council of Australian Life Insurers	Darwin Waterfront Corporation	Financial Services Council

First Nations Equity Partners	Future Super	GESB
Global Legal Entity Identifier Foundation Singapore Branch	HESTA	Hostplus
Indigenous Consumer Assistance Network (ICAN)	Industry Super Australia	Insignia Financial
LinkGroup	Mercer	Minter Ellison
MLC Life Insurance	MoneyMob Talkabout	Nexia Australia
ngs Super	Northern Territory Government	Rest
Shartru	smartMonday	Spirit Super
Super Consumers Australia	Super SA	Telstra Super
Thompson Partners	The Treasury (Commonwealth)	UniSuper
Women in Super	WTW	Zurich Financial Services Australia Limited