



Financial inclusion investment will save money and communities.

"Financial exclusion causes and compounds financial disadvantage," says Jenni Beetson-Mortimer, Chair of the NSW Financial Inclusion Network and the CEO of Northern Rivers Community Gateway.

Ms Beetson-Mortimer explains:

"Reducing financial exclusion in New South Wales will reduce poverty and homelessness, mental health problems and continued welfare dependence.

"It will make escaping a violent relationship easier, improve child educational outcomes and decrease law breaking or criminal offences.

"The cost of early intervention to support financial inclusion is far less than the cost of addressing the impacts of financial exclusion.

"So, investing to support financial inclusion not only reduces such impacts, it saves the government and tax payer money."

What is financial exclusion?

People who are financially excluded can be impacted by any the following:

- No access to financial resources such as emergency savings or the ability to raise funds in a crisis situation
- No access to safe, fair and affordable credit
- No access to affordable insurance to protect assets
- Barriers to financial budgeting and management
- No access to a bank account

Despite exceptional economic growth over the past 4 years, New South Wales experiences significant levels of financial exclusion. More than 2 million Australians experience severe or high financial stress with one in five reporting they cannot raise two thousand dollars in an emergency. This statistic is not improving.

The NSW Financial Inclusion Network is a collaboration of key stakeholders working in the financial inclusion space since late 2015 and has just launched their [2019 state election platform paper](#).

"The NSW Financial Inclusion Network continues to call on the New South Wales Government to take action and reduce levels of financial exclusion now," says Ms Beetson-Mortimer.

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The 2019 state election platform paper calls for action.

- 1 Adopt a whole of government approach to addressing financial exclusion** and resource a central unit that works with the NSW Financial Inclusion Network to develop a whole of government costed strategy. Obtain a baseline for financial exclusion and set targets for improvement.
- 2 Invest in building financial resilience** by funding financial capability workers, including designated Aboriginal workers. These workers, as an early intervention measure, would address a huge gap in the current service system.
- 3 Develop financial inclusion strategies for aboriginal communities and people living remotely.** These are two of the most disadvantaged communities in the state and there is little research to examine their financial exclusion. Aboriginal economic activity is vital to building stronger foundations for social, economic and cultural prosperity. Supporting greater Aboriginal participation and opportunity will increase employment, education, skills and regional economic potential. We call for the government to consult with Aboriginal, rural and remote communities to fund research into their financial exclusion, to set financial exclusion reduction targets and to expand energy and water cost reduction initiatives for these communities.

- 4 Develop innovative programs to intervene early and prevent escalating tenant debt.** Debt associated with housing costs and rent arrears often leads to the loss of utilities and eviction. The inability to repay debt in private home rental, social and community housing ruins lives. We call on the government to support tenants with rent arrears by funding financial counsellors, to support housing providers in developing incentive programs that promote rent arrears repayment, to reduce social housing energy costs by funding the retro-fit of energy saving devices and to establish a no-interest loan program enabling tenants to repay rent arrears.
- 5 Seek urgent action from the federal government to change legislation on payday loans and rent to buy goods.** Reforms in this area will allow services to focus on early intervention strategies that support victims of unscrupulous lenders, will reduce the need for financial counselling, for legal services and will improve the associated stresses of financial exclusion such as mental health problems, drug, alcohol and gambling addiction.

Current Australian financial exclusion rates of 17% are a much higher population percentage than any developed nation should be comfortable with. Improving financial inclusion will protect the most vulnerable people, bring about safer communities and improve supports. It will ultimately lead to a stronger state budget and economy.

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