

HESTA brings together community and financial services sectors to discuss strategies to combat financial exclusion

HESTA has brought together experts and academics from a range of organisations including universities, charities and community groups to discuss what financial institutions can do to combat financial exclusion.

HESTA CEO Debby Blakey said the roundtable held in Melbourne last week, was a chance for the \$36 billion industry super fund to listen to the experience and expertise of community sector organisations supporting those experiencing disadvantage.

“An estimated three million Australians have difficulty paying bills, putting food on the table or accessing basic financial products like a bank account, credit card or insurance,” Ms Blakey said.

“A wealthy country such as ours, with a sophisticated retirement system, needs to deliver for all Australians, not just a lucky few. The roundtable saw fruitful discussions on innovative and practical steps to build a more a financially inclusive Australia.”

HESTA is among 12 ‘trailblazer’ organisations to commit to Financial Inclusion Action Plans (FIAPs). Organisations who sign up to the FIAP program are outlining real, measurable actions to improve financial inclusion and to raise awareness of this issue.

Ms Blakey said the discussions identified a range of areas that financial institutions like HESTA could take to build financial resilience including:

- the advocacy role HESTA could play to raise awareness about financial exclusion
- the importance of social and affordable housing
- opportunities to develop innovative partnerships with community sector organisations.

Ms Blakey said the roundtable and developing its first FIAP were some of the many steps that HESTA would take in its journey to build greater financial resilience across its membership.

Good Shepherd Microfinance’s General Manager – Advisory, Dr Vinita Godinho, described the challenge of financial exclusion as a ‘wicked problem’ that needed a wide ranging response.

“This is a problem that can’t be solved without a collective impact,” Dr Godinho said

“A holistic response is needed, if we hope to make a difference in people’s lives, and help them recover from shocks so they can achieve their financial dreams, whatever they may be.”

Brotherhood of St Laurence Senior Manager Financial Inclusion, Tony Robinson, told the roundtable there were exciting opportunities for the community sector to develop innovative partnerships with superannuation funds.

Mr Robinson said the lack of access to affordable home contents and vehicle insurance among low-income earning Australians left many at risk of or in severe financial crisis.

“There’s a simple protection product out there for third party vehicle insurance that costs under \$300 a year,” he said.

“HESTA could help raise awareness among your members about the importance of people protecting their assets and there could be other partnering opportunities to develop simple products like this.”

Mr Robinson said the superannuation industry could also help provide further insights into the drivers of financial exclusion by aggregated reporting on the reasons people access their superannuation due to financial hardship.

Individuals can access a part of their superannuation early due to financial hardship, if they met a number of conditions.

Prof. Roslyn Russell, from RMIT’s School of Economics, Finance and Marketing, told the roundtable that Australia’s superannuation system was designed to cater for the continuous working patterns of men.

Findings from *The Women and Money Survey*, which Prof. Russell conducted with La Trobe University's Prof. Amalia Di Iorio, revealed about a third of women surveyed had no superannuation at all.

"We can't keep putting the burden on individual women to do more, we need to change the (superannuation) system so it works better for women," she said.

Prof. Russell said the survey indicated women felt there was limited access to affordable and what they perceived as unbiased financial advice.

"They are stuck in this middle area, as they're looking for financial guidance but they can't afford financial planning," Prof. Russell said.

"There isn't much in the way of unbiased face-to-face services available for a regular person to help them understand more about what to do with their money and how to reach their financial goals."

HESTA provides its more than 820,000 members with personal advice about their superannuation and education seminars, at no extra cost. As part of its FIAP, HESTA has committed to greater access to financial counselling for HESTA members who seek to access their superannuation due to financial hardship.

McAuley Community Services for Women CEO, Jocelyn Bignold, suggested superannuation funds like HESTA could adapt successful strategies used by organisations assisting women experiencing financial hardship and disadvantage.

McAuley Community Services for Women provides support, advocacy and accommodation for women and their children who are experiencing homelessness, primarily as a result of family violence or mental illness.

Ms Bignold said organisations working in this space had considerable success at reaching women around pregnancy and birth.

"We know this to be a crucial touch point and it's an approach HESTA could capitalise on in terms of providing financial counselling that can make a big difference to women at this stage of their life," Ms Bignold said.

HESTA will use the feedback from the roundtable to inform its ongoing commitment to financial inclusion and will launch its FIAP on 25 November.

Ends

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