



ASCOF LIMITED

*Empowering people
through financial knowledge*

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Head of Secretariat
Financial System Inquiry
The Treasury
Langton Crescent
PARKES ACT 2600

SECRETARY'S
OFFICE

18 DEC 2013

SUBMISSION related to the DRAFT TERMS OF REFERENCE (TOR) for the FINANCIAL SYSTEMS INQUIRY.

ASCOF LIMITED (ASCOF) is delighted to make a submission in relation to the Draft Terms of Reference (TOR) for the Financial Systems Inquiry.

ASCOF was established in October 2009 and was formally registered in September 2010. ASCOF is a not for profit, Financial Inclusion Advocacy Organisation (FIAO). The Mission of ASCOF is to provide members with tools to enable them make informed choices in accessing appropriate, fair and affordable financial products (<http://www.ascof.org.au/>). ASCOF currently has a membership base of over 350 financial members drawn from diverse African communities, Indigenous Australians, Pacific Islanders and other Australians. In August 2012 ASCOF was accredited to deliver the No Interest Loans Scheme (NILS) targeting members in need. To date over 70 members who are supporting in excess of 1000 dependents drawn from diverse cultural backgrounds have benefited from these funds.

There is anecdotal evidence that the gap between the financially excluded and financially included is increasing in Australia (Connolly 2013) with 17.7% of adult population unable to access mainstream financial products. This translates to 3.1 million adults or one in six Australians being financially excluded and unable to access a bank account, small credit or insurance.

Closer analysis of the Australians financially excluded would reveals that the majority of those excluded are from Culturally and Linguistically Diverse (CALD) backgrounds. The reasons for their high representation can be attributed to the fact that they face additional barriers due to limited language and education skills. An additional issue is that lack of understanding money. This is attributed to the fact that in their cultural backgrounds did not use money as the medium of transaction for basic needs like food.

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ASCOF is of the strong view that financial inclusion contributes to social, economic and cultural integration leading to prosperity. Every Australian irrespective of background should have access to:

- Financial services that back and promote financial decision making that ensures individuals make well informed financial choices
- Financial products that are designed to meet the needs of every individual,
- Provision of products that are designed specifically for groups that are severely financially excluded - such as CALD.

Financial access enables people to utilise resources to uplift their education, obtain relevant training, secure and maintain employment. In this way they contribute to the economic well-being of Australia through ongoing contributions in meeting taxation contributions.

ASCOF seeks a specific focus on how the Financial System in Australia can promote financial inclusion. ASCOF further seeks specific reference to the benefits of financial inclusion in the communities' economic, social and cultural participation in Australia.

Dr Njau Gitu
Director,
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References

CONNOLLY, C. (2013). *MEASURING FINANCIAL EXCLUSION IN AUSTRALIA*, CENTRE FOR SOCIAL IMPACT (CSI) - UNIVERSITY OF NEW SOUTH WALES, FOR THE NATIONAL AUSTRALIA BANK.

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