

Across National Convention 2008

Melbourne, 9 April 2008

Ahmed Fahour speaking notes

Thank you very much Andrew for that kind introduction.

May I begin by acknowledging:

- Members of the Board of Governors
- Representatives from member organisations, Distinguished Guests, Ladies and Gentlemen

It is a great pleasure to join you for your 2008 National Congress.

In doing so, I recognise 52 years of quite extraordinary service Across has provided to Australians who impacted by poverty and inequality.

Your vision of a fair, inclusive and sustainable Australia remains as compelling today as it was back in 1956.

Since the establishment of Across over 50 years ago, one of the interesting and continuing features of Australian political life have been Summits. Sometimes national, often state-based and occasionally regional

Inevitably they are wildly ambitious, reflecting perhaps the exuberance and energy of a young democracy. They also rest on a pretty earthy perspective of life's challenges...perhaps best summarised as "can't you mob just get into a room and sort it out!"

And so we have. From topics as diverse as the teaching of history in Australian schools to the fate of the river Murray, from the future of manufacturing industry to climate change..

At the end of next week one thousand people – by any measure, a large and unlikely grouping - will come together in Canberra for another summit, the Australia 2020 Summit.

Encouraged by the PM to "think big," the 2020 Summit is designed to "harness the best ideas for building a modern Australia."

My sense is that this one will be a little different, perhaps a bit more akin to Bob Hawke's Economic Summit of 1983, which he subsequently described as his finest moment as Prime Minister.

My sense is that this one has the clear ear of government and clear linkages to evolving policy and implementation frameworks. As such, it can draw out a voice...urgent, compelling, uniting and inspiring...but one that moves beyond rhetoric and becomes a catalyst for action and real change.

Certainly the 2020 Summit is ambitious. The topics range from developing a long term national health strategy to future directions for rural industries and rural communities, from Australian governance to options for the future of indigenous Australia.

If we add “how Carlton can win an AFL premiership” then I think we really do have all the bases covered.

As part of the 2020 Summit, I have been invited to join the discussion on “strengthening communities, supporting families and social inclusion.” In my time today, I would like to share with you today one or two perspectives on this broad topic, particularly in the area of social inclusion.

Firstly, I want to say that that I am an optimist. We have many challenges, and I will touch on some of these. But the social inclusion we enjoy in this country today is surely the envy of the world.

In this regard, I cannot but help think of my own personal experience.

My parents journeyed to this country from Lebanon a little under 40 years ago. They had no English and little money.

We lived in the northern suburbs of Melbourne. The community was working class; no one had much in the way of material possessions; kids played in the streets and in their nearby parks. Turks lived alongside Maltese; Lebs alongside Italians; Yugoslavs alongside the Greeks.

We were a large family and large families were the norm.

There was the occasional local tension or spat but there was little time for this, given the sheer industry required of these immigrant families just to get on in life – get a job, buy a car, pay off the house and educate the kids.

It was really only at university that I really began to appreciate the opportunities opening up for me and the sacrifices of my parents. Latrobe University in Melbourne was not one of the established “sandstone” universities; but what it lacked in tradition it made up in diversity.

It was a complete melting pot of nationalities, ideologies and opinions. I had wonderful teachers and no problem in being accepted – just another working class wog with a strong work ethic.

My story is common; common to generations of immigrant kids.

We never framed our story using terms like “social inclusion” but never for a moment did I ever think of myself as excluded from the normal relationships and activities available to the majority of people – be they economic, social, cultural or political.

This is a wonderful Australian achievement.

But as an optimist, I am also a realist.

For all of our strengths as a community, we still have very significant challenges.

I would like to touch on two of these – indigenous disadvantage and financial exclusion. And in the time remaining, to say something of the role of business in supporting social inclusion.

A couple of years back I had the opportunity to participate in another summit of sorts.

It was called the Australian Future Direction Forum and it brought together emerging leaders in a whole host of areas including business, politics, academia, community NGOs, media and indigenous organisations.

At the end of three days, I was proud to put my name to the following statement....

“To create a better nation over the next 25 years, Australia must resolve questions of national identity, secure our place in the world, invest in our people, achieve economic and environmental sustainability, and build a more cohesive society. This will require principled leadership focused on the long term challenges facing the nation.”

The statement concluded...

“Ending the disadvantage of Aboriginal and Torres Strait Islander peoples was declared the number one priority of the Forum. We do this because it is right. By not doing this we stand to witness the irreversible loss of one of the most ancient cultures in the world.”

In my view, the conditions in which indigenous people find themselves today, in a country that has never been wealthier, more successful, better educated or more respected in the international community, is utterly unacceptable.

But the tragedy of indigenous disadvantage is not simply the disadvantage. We have known about indigenous disadvantage for at least at generation – probably longer. And yet, not only are we failing to address the elements of disadvantage, the situation is arguably getting worse.

So what is going on?

A unique aspect of humanity is our capacity for empathy and imagination. And it is this aspect of our humanity which we seemed to have lost when it comes to indigenous Australia.

Is it only the most depraved stories of sexual exploitation of little children that can summon us to action? Have we become so numb, so emotionally frigid, that the situation of little aboriginal kids born today, living on average 20 years less than their white counterparts, no longer impacts our sensibilities?

We need to think hard about this.

It’s also why the recent apology to the stolen generation was so important. Of itself it probably won’t make a jot of difference to the daily life of aboriginal people. But it was an act of far reaching empathy and imagination. It was a statement of moral leadership. And it’s impact, I believe, will be far reaching.

One small element of indigenous disadvantage is the financial exclusion faced by remote and regional indigenous communities. Indeed financial exclusion is a real issue in Australia

I know many of you here will be familiar the 2004 ANZ report into financial exclusion.

The facts are beyond dispute:

- 120,000 people, just under 1% of Australia's adult population, could be considered financially excluded with no ownership of financial products
- 6% of adults have minimal financial access, owning only a transaction account
- Risk factors influencing financial exclusion include financial illiteracy, dysfunctional credit or savings behaviour
- Special factors affect indigenous Australians who are really the only group in Australia consistently associated with financial exclusion

Arguably the most important issue raised by this research was the lack of access to fair and affordable credit for the financially marginalised.

The everyday reality is that people on low incomes, few personally owned assets and perhaps some unpaid debts have great difficulty in borrowing – perhaps not from payday lenders or loan sharks - but certainly from mainstream financial institutions like banks.

Today we live in a society where banking is essential and having a credit card is almost mandatory. Yet for financial institutions, it can be a fine line between providing credit and overcommitting people.

At NAB, roughly 25% of the personal loan and credit card applications we receive are declined.

This is largely due to their unemployed status, the income levels required to service credit, and poor credit history.

Extrapolated across the industry, it means that for nearly 1 million adult Australians, everyday items such as cars, whitegoods and other basic necessities become difficult to obtain.

This impacts employment opportunities, to say nothing of home life.

Research from the University of NSW published at the end of last year showed nearly 24% of respondents did not have access to \$500 in savings in case of emergency. This was as high as 42% when asking about access to \$2,000 in savings in case of emergency.

This combined with an inability to access affordable credit leaves many people with little protection against unforeseen risks.

So if indigenous disadvantage and financial exclusion are two key challenges in the context of social inclusion, what role should business play, how should banks respond?

It might sound glib, but in many ways, business should simply do what business does well.

Business investment, business activity and business entrepreneurship underpin economic prosperity and provides the best possible platform for social advancement and social inclusion.

Business has an uncanny knack of bringing people together; in connecting demand with supply it cuts through every barrier of geography, race, creed and colour.

In its wake, it leaves relationships, understanding and opportunity.

Two years ago I announced a \$30 million investment to develop not-for-profit microfinance programs in Australia.

We did this for two reasons:

Firstly, to address the key financial exclusion challenge and assist low income earners gain access to affordable credit

Secondly, to support those Australians with the drive, the energy and the skills to set up small businesses

I am very encouraged by the results.

Around this time last year we launched the NAB microenterprise loans program to help fund new business enterprises for people on low incomes and with few or no avenues to access affordable credit. I am pleased to report that we have helped establish more than 70 new enterprises across the country through \$1.1m in loans. Some in the audience may be familiar with the Step UP loan – a safe and affordable personal loan developed by NAB and Good Shepherd Youth and Family Services.

We have just released a public report on StepUp which shows a very positive impact on people's quality of life and self esteem. Over 700 people have had access to a safe and affordable loan under this program. We expect to reach the 1000 mark this year.

The No Interest Loan Scheme (NILS®) is now Australia's largest microfinance initiative, started by Good Shepherd in Collingwood nearly 30 years ago.

NAB provides loan capital for NILS and we are well over half way through a \$10 million capital allocation program to grow no interest loans schemes around the country.

With this growth we have been able to attract the attention and support of state governments around the country.

Slowly but surely we are getting to the point where NILS has a long term and sustainable future.

Common to all of these programs is that they offer real solutions to essential needs; they help people doing it tough to feel better; they strengthen money management skills; they improve the quality of people's lives; they help people feel more positive about the future.

Of course financial inclusion is just one part of the broader social inclusion spectrum.

When it comes to social inclusion we should also not underestimate the importance of sport and education.

Multiculturalism has prospered in places like Melbourne in no small way because of the egalitarian nature of Aussie rules.

No one really cares if you are a Lebanese Muslim like me or an Irish Catholic like my next door neighbour, so long as you can run, have safe hands and can kick long.

Sport, like business, is a great leveller.

At Nab we are particularly proud of our Auskick involvement – probably the largest, best organised, junior sporting competition in the country.

The regular Saturday morning scene at Auskick centres reflects the very best in our community – the enthusiasm of the kids, the commitment of the coaches, the dedication of the volunteers and the delight of the parents.

This everyday scene embodies so much of what is good in local communities.

Education is the other great enabler of social inclusion.

Australia's multicultural schools and universities are a community treasure; they are an important environment for promoting understanding and respect.

And it is an environment where cultural differences are broadly accepted, not only as part and parcel of life, but as an enriching characteristic.

Here, my personal hobby-horse is language.

If I could wave a wand or grant a wish, it would be that every Australian could learn a second language.

Language enriches us. A second language allows us to enter a multicultural world that we could otherwise never have imagined or appreciated.

Ladies and gentlemen, in my remarks this morning I have tried to offer an optimistic but realistic perspective of social inclusion in Australia. I have tried to outline some of the key challenges as well as highlighting the role of business, sport and education in addressing that challenge.

I have also sought to offer a glimpse of some of things we are doing at NAB.

In the spirit of being both optimistic and realistic, and before closing, I would like to announce today a very special partnership NAB is about to embark on in the Northern Territory. This partnership will go to the heart of some of the issues I have talked about today, specifically the reality that indigenous Australians are really the only group in Australia consistently associated with financial exclusion.

In an ambitious program for the bank, over the next five years NAB will be working with the Traditional Credit Union – the largest indigenous owned and operated financial institution in this country - to fund the opening of new branches by the TCU.

This program will provide much needed access to financial services for over 3000 indigenous people across the top end – everyday financial services we very much take for granted.

NAB will do this by providing up to a \$1m in interest free loan capital and other financial and in-kind support over the next five years. It will see a 40% increase in the TCU's branch presence in the NT.

It is also but one of a number of initiatives we will be announcing as part of a much more comprehensive engagement with indigenous Australia this year.

Ladies and gentlemen, in closing I would like to come back to the voice of moral leadership and how this can translate into action.

The dignity of the human person is at the heart of any true understanding of social inclusion. Social inclusion should never be reduced to some utilitarian calculus of service provision and socio-economic indicators.

It's bigger than that. It requires an attitude of mind, generosity of spirit and the courage for action.

I have great confidence that this conference and the 2020 Summit next fortnight can be such a catalyst.

Just 10 years after the establishment of AcoSS, at the height of the apartheid regime in South Africa, Robert Kennedy spoke to the young people at the University of Capetown.

His words are well worth recalling...

*Each time a man stands up for an ideal,
or acts to improve the lot of others,
or strikes out against injustice,
he sends forth a tiny ripple of hope, and crossing each other,
from a million different centers of energy and daring
those ripples build a current
which can sweep down the mightiest walls
of oppression and resistance.....*

How prophetic those words strike us today.

It is not a bad thought to spur us on as we look forward to the 2020 Summit and work hard for a fair, inclusive and sustainable Australia.

Thank you very much.