

**GOOD SHEPHERD YOUTH AND FAMILY SERVICE
ANSWER TO QUESTIONS ON NOTICE**

On Monday the 24th of October I provided evidence for the Parliamentary Joint Committee on Corporations and Financial Services and was asked to provide some additional information.

In regards to the question on notice, I was asked to gather some data into how many clients present to our financial counselling services with payday loan issues. Given the timeframes, I am not able to provide this metric from Good Shepherd Youth & Family Services point of view, as this would require an audit of case management files in order to gain a precise picture. Our financial counsellors have, however, been able to report that:

- approximately 30% of all Good Shepherd financial counselling clients are estimated to have payday loans
- many clients do not mention their payday loans as they are ashamed to admit they have them
- many of the clients from newly arrived communities do not understand the payday loan contracts as no interpreters are offered by the lenders
- anecdotal evidence suggests that approximately 50% of clients with gambling problems have payday loans.

We can also provide further evidence from a sectoral perspective through some recent research conducted by Financial Counselling Australia (FCA) – the peak body for financial counsellors nationally. Their research which is in the process of being finalised, indicates that ninety-two per cent (313) of financial counsellors saw clients with fringe loans. Based on the more conservative metric adopted, this equates to 2,285 clients per year with payday loans. At an upper limit, this number is over 3,200.

The table below also provides greater insight into the issues.

Table: No of clients seen – Payday loans

No of Clients	No of Responses	% of Responses
Less than 5	82	24%
5 to 10	110	32%
11 to 15	47	14%
16 or more	71	21%
None or did not answer	31	9%
TOTAL	341	100%

Source: Financial Counselling Australia (FCA) 2011, *What Financial Counsellors say about Payday Lending*, FCA, QLD (unpublished)

This information is still being finalised, and I ask that you contact Fiona Guthrie at Financial Counselling Australia if this information is to be kept on public record or if there are any questions relating to the data. However, these numbers reflect the extent of the issue.

Many thanks for your time.

Regards,

Tanya Corrie

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Good Shepherd Youth and Family Service



Good Shepherd Youth & Family Service acknowledges that we provide our services on the land of the people of the Kulin Nation. These people are the traditional owners and caretakers of these lands and we pay our respect to them.