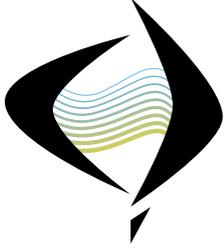


financial  
counselling  
australia



# Double Punishment

HOW PEOPLE IN PRISON PAY TWICE



MAY 2018



# Double Punishment



This report is based on the experiences of financial counsellors and other experts who work with people in prison. It explains how people often leave prison in a much worse financial position than when they entered. This is because when it comes to managing their debts, the system makes it nigh on impossible. Yet each debt that is tackled can mean one less person who is less likely to end up back in jail.

It was not initially our intention to put together a written report about these financial issues, but the first-hand stories we heard in the consultations for our “Financial Literacy in Prisons” project that highlighted these problems were so powerful they deserved to be documented. Our aim in doing this is to act as a catalyst for change.

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# Prologue

Jenny was charged with minor drug offences. Despite her lawyer believing Jenny would get bail, she was remanded in custody. Among her debts were a small loan for a car and a lease contract for a fridge and computer. With no way of paying either debt, and no support available to arrange a hardship variation on her loan and lease contract, Jenny quickly fell into arrears. Her car was repossessed, and then sold for less than the loan amount, while a "friend" who was looking after her computer and fridge sold them, leaving her with more debt and the threat of being charged with theft.

Daily, people across the nation are released from prison facing any one of a thousand variations on this scenario. When people have not had support while in prison to access their legal rights, including asking for hardship variations and payment moratoriums, they are released from jail in a far worse financial situation than when they went into jail. But it doesn't need to be like this. When people receive financial counselling support, information and advocacy during their jail term to stabilise their debts, it gives them the best chance of successfully reintegrating into society. It is a win for them and it is a win for society.

## About Financial Counselling Australia (FCA)

FCA is the peak body for financial counsellors in Australia. We are the voice for the financial counselling profession and provide support to financial counsellors including by sharing information and providing training and resources. We also advocate on behalf of the clients of financial counsellors for a fairer marketplace.

## What financial counsellors do

Financial counsellors assist people experiencing financial difficulty. Working in community organisations, they provide advice to help people deal with their immediate financial situation and minimise the risk of future financial problems. Their services are free, confidential and independent.

## Financial counselling in prisons

There are about 800 financial counsellors in Australia. Of these, we estimate that about 20 regularly visit prisons to provide financial counselling to people who are incarcerated. The experiences of these financial counsellors informed this report.

## About the case studies in this submission

The case studies in this report were provided by financial counsellors working in prisons and have been de-identified.

## Thanks

We sincerely thank the financial counsellors and other experts who participated in the workshops we held in 2016 as part of our “Financial Literacy in Prisons” project (see Appendices A and B).

Thank you also to a number of financial counsellors who provided specific feedback on various drafts of this report: Tukie Balanzategui, Colin Handreck, Kaye Norris, Robert Evans and Kim Arthur. Thanks also to Penelope Hill, manager of Consumer Action Law Centre’s financial counselling program for her comments on the draft.

Within FCA, this project was initiated by Lauren Levin. Fiona Guthrie and Vanessa Hood facilitated the financial counselling workshop and Vanessa facilitated the workshop with prison experts. Anna Dooland, then working for FCA, provided the first draft of a set of resources for prison financial counsellors. We are extremely grateful to Elizabeth Minter who conducted follow up interviews with some financial counsellors, was skillful enough to take the disparate sets of workshop notes and turn them into this report. Fiona Guthrie had the final task of editing.

# Executive Summary

## About the report

This report is based on the experiences of financial counsellors and other experts in working with people in prison. We harvested their knowledge in two separate workshops we conducted in 2016 and these insights were refined in subsequent discussions in 2017 and 2018.

People in prison frequently leave prison in a worse financial position than when they entered it because the system is stacked against them. This is a form of double punishment.

## The problem

The problems range from having difficulty contacting creditors in time to stop debts spiraling out of control, to being refused home insurance, to small fines adding up to insurmountable debt, to being unable to disconnect utilities.

When people leave prison in a more desperate financial situation, they are not the only ones who pay the price. Society also pays, through the continuation of crime to pay back debts, the cost of recidivism and in taxpayer funded support for social services.

## Prisoner's debts

Financial counsellors overwhelmingly rated the most stressful debts for people in prison as those owed to: Centrelink; housing departments; the Child Support Agency; the Tax Office; and state agencies for fines and infringements.

People in prison also have problems with bank fees continuing to accrue, an inability to negotiate hardship arrangements on mortgages, repossession of household goods or cars, rental arrears and mobile phone contracts.

## Why does this happen?

Part of the reason that people in prison have so many financial issues relate to their own circumstances: low literacy and numeracy; high levels of trauma; mental health issues; and the time it takes for people working with them to build rapport and trust. There are also significant barriers within the system: difficulties in negotiating with creditors for people on remand (which affects 33 per cent of the prison population); lack of documentation or information making it hard to cancel services or negotiate; lack of access to the internet; creditor intransigence; barriers to contacting prisoners making everything take much longer; people in prison being moved with just 24 hours notice; bureaucratic prison processes and a lack of knowledge about what financial counsellors do.

## Solutions inside the system

There are many things that could change inside the system: adding the National Debt Helpline phone number (1800 007 007) to the free call list; a triage model for appointments with financial counsellors; creditors and government agencies having central points of contact (including email); a mandatory financial health check for people in prison one week into their sentence; training other caseworkers about financial capability issues; a toolkit of resources for families of people in prison about how to manage debt issues; better coordination between services working in prisons; training other prisoners to provide peer-to-peer financial capability information; spreading the word about these issues to prisoners through various mechanisms such as video; and offering financial capability workshops for people in prison.

## Solutions outside the system

There are many things that need to change outside the system: more consistent responses from creditors, including debt waivers; a creditor portal to notify all creditors at the same time about the details for a person in prison, creditors having central contact points, including email addresses, the continuation of the National Hardship Register with a category for people in prison; Corrective Service identification documents being accepted by government agencies, banks, superannuation funds etc as adequate identification; training of hardship staff about the impact of prison on a person's life; the ability for people in prison to work off fines; child support agency staff to visit prisons regularly; better access to basic bank accounts; automatic cancellation of phone and rental goods contracts; access to insurance in appropriate circumstances for people with a criminal record; early access to superannuation on the grounds of financial hardship for people in prison; a process for people in prison to wipe their Centrelink debts; and dedicated funding for specialist prison financial counsellors.

# 1 Introduction

## 1.1. The genesis of this report and why “double punishment”

In 2016, Financial Counselling Australia (FCA) received a grant from Financial Literacy Australia to run a project called the “Prisoner Financial Literacy Project” (the “project”). The genesis for this project was ongoing feedback from financial counsellors about the serious financial issues people in prison faced as a result of their incarceration.

Financial counsellors consistently observe that people in prison are subject to double punishment. They are in prison because of an offence they have committed. But they are also punished financially because the prison, government and banking systems make it incredibly difficult to manage outstanding debts and other related financial issues. This means people leave prison in a much worse financial position than when they enter it, making it ever harder to re-establish themselves.

## 1.2. About the Prisoner Financial Literacy Project

The goals of the Prisoner Financial Literacy Project were to develop interventions to allow people in prison to stabilise their financial situation.

Phase 1 of the project was to get a solid understanding of the financial issues and then design an intervention to tackle them. The proposed intervention was based on expert advice from financial counsellors and from people with experience of working with prisoners. This phase has been completed and involved workshops and consultations.

Phase 2 of the project, which we have not implemented due to lack of funding, was to pilot that intervention in a prison. Phase 3 was to have been a roll-out of the intervention across a number of prisons.

### **1.3. About this report**

This report is based on the stories and experiences of the financial counsellors and other experts involved in the Phase 1 workshops, and follow-up interviews with a smaller number of financial counsellors. There were two workshops, both in 2016.

The first workshop was attended by financial counsellors and other community advocates with experience of working with prisoners in Australia. (See Appendix A for the full list of participants.) The second workshop was attended by Legal Aid lawyers, community advocates, Department of Corrections staff from various states, and staff from the Department of Human Services. (See Appendix B for the full list of participants.)

The project plan did not initially include publishing a report about the insights and information shared during these workshops. But the many themes that emerged were so compelling they needed to be told. The report explains the types of debt people in prison commonly have; the barriers to tackling debt, including what is the prisoner's responsibility and what fault lies with the system; and how to make the system more responsive and easier to navigate.

## 2

# Case studies

### *Denied basic rights; denied work opportunities; the harm escalates*

This section describes a number of case studies provided by our workshop participants and provides a context for the report. Read as a whole, they give an insight into the financial issues facing many people in prison. The problems range from having difficulty contacting creditors in time to stop debts spiralling out of control, to being refused home insurance, to small fines adding up to insurmountable debt.

#### Sarah

Sarah was jailed in late 2016. She has two sons with learning difficulties who live with their father. A friend agreed to look after Sarah's financial affairs while she was in prison and was appointed her power of attorney for financial matters. Sarah had always managed her finances well and had enough money in her account to keep up to date with her mortgage, her personal loan and the household bills while she was in prison.

Unfortunately, many months into her sentence, it was discovered her "friend" had not been paying the mortgage and other essential bills. The utility bills, the council rates, the phone bill and the house and car insurance were all in arrears. Because the house insurance had lapsed Sarah was also in breach of her mortgage contract. And because of her criminal conviction the insurance company would not renew or reinstate the house and contents insurance or her mortgage insurance.

It then took some months for Sarah to revoke the power of attorney. In that time, however, her "friend" continued to have access to Sarah's bank account. Subsequent bank statements showed multiple \$1,000 amounts debited from Sarah's account at the local hotel, which had gambling facilities.

Because of the numerous withdrawals, Sarah did not have the funds to make her mortgage repayments. The bank started legal action to repossess her home. Thankfully, Sarah was able to access assistance through a financial counsellor who regularly attended the prison that housed Sarah. Her application for financial hardship on the mortgage was successful and through the continued advocacy of the financial counsellor the bank agreed to a long-term hardship arrangement, giving Sarah some breathing space to think about her options.

## James

James was jailed for 10 months. He had been in prison for a few months before he was able to see a financial counsellor who worked at that prison. The impetus to seek help was when he received two legal notices: one regarding his home loan and the other his council rates. The mortgage arrears were \$5,500 and the rates arrears \$3,000, but there was considerable equity in the property. With the assistance of the financial counsellor he applied for financial hardship arrangements whereby repayments were paused and the arrears were capitalised. Without access to a financial counsellor to advocate on his behalf James would have lost his property while in prison.

## Courtney

Courtney had accrued \$250 worth of toll fines. As she had no money to pay them, the amount owing quickly escalated, first into the hundreds and then the thousands of dollars. While she was in jail, Courtney's car was repossessed by the sheriff because she had fallen behind on her payments and couldn't apply to access a hardship arrangement for her car loan. But her car had also been her home. Upon her release from prison, Courtney's life started to unravel.

## Robin

Robin was renting a one-bedroom unit when he was arrested by police and imprisoned. He had no opportunity to arrange to break the lease and no way of paying his rent or other bills. The rental arrears started to mount up, as did service charges for gas, electricity and water. Following his formal eviction, Robin was put on the tenancy blacklist and his furniture and household goods seized, while his clothes, books and other personal effects were discarded because they had no financial value. These included his precious photographs and treasured mementoes. Robin was released from prison with significant debts and no personal belongings that would anchor him and help him rebuild his life.

## Steve

When Steve was jailed for 6 months, his only debt was a personal loan of \$8,500. He had been paying by direct debit but wanted to arrange hardship to ensure he had some money for when he was released. He was reasonably confident of getting a job upon his release but could not be sure. His financial counsellor requested a moratorium that would end four months after his release to allow him time to re-establish his life. The creditor advised the best they could do was offer a moratorium that would end the month Steve was released from jail. Following further discussions, the creditor said Steve should contact the creditor upon his release and try to negotiate further hardship. Such a loose arrangement created additional anxiety for Steve while he was in jail.

## Donald

Donald was visiting from interstate when he was arrested by police. He was refused bail and remanded in custody. He had a \$400 mobile phone bill for which he had sufficient money in a bank account to pay but he had no account details and no documentation with him. While he was in prison the bill became due. He was also charged a \$15 late fee for each month the account was overdue, meaning the small debt quickly increased. Because Donald couldn't get all the paperwork sorted within the required 60 days, the debt was listed on his credit report.

## Jill and Graeme

Jill and Graeme had a joint mortgage, which was insured together with the contents of their home, with both named as policy holders. Graeme had spent a few months in prison for driving while disqualified. Under the terms of both insurance contracts, the policy holder had to tell the insurer whenever there was a change in living arrangements. Generally, insurance companies won't insure anyone with a criminal record. As her cover was not renewed automatically, when the premium fell due for the next year's cover, Jill had two choices: not to tell the insurer her husband was back living in the family home, thus possibly voiding the mortgage and the building and contents insurance, or make her husband live elsewhere.

## Joe

Joe, a motor mechanic, was jailed for non-violent offences. A skilled worker, Joe was keen to re-establish his business upon his release. He was hoping to work as a sole trader using an ABN (Australian Business Number). As a former prisoner he could not get public liability insurance, which stymied his business plans and left him reliant on welfare. In a similar case, George, an interstate truck driver was jailed. His previous employer was willing to re-employ him upon his release. But George couldn't get insurance either, leaving yet another person with strong employment prospects to the mercy of the welfare system.

## Danny

Danny was a labourer who worked casually and lived from pay cheque to pay cheque. Following a flood, his usual work stopped. Being uneducated in the world of finance and with household bills mounting, Danny panicked and visited a loan shark to get some money to pay various utility bills and a credit card bill. When he was unable to repay the loan, he was threatened by the loan shark. After committing an amateurish armed robbery with a pretend weapon, Danny was jailed for a number of years. While in prison, he took the opportunity to attend financial literacy courses that were arranged by the prison.

# 3 The problem

## *Prisoners lose, society loses*

### 3.1. What is the problem?

Even a person with no debt when sent to prison can end their sentence with significant debts—credit card debts build quickly due to compounding interest and fees. A person can owe a significant amount in rent arrears because it is hard to organise the paperwork to break a lease. Disconnecting utilities is similarly difficult.

When people leave prison in a more desperate financial situation, they are not the only ones who pay the price. Society also pays – through the continuation of crime to raise money to pay off debts; the cost of the resulting high recidivism rates (keeping a person in jail for 12 months is estimated at \$110,000<sup>1</sup>; and in the heavy reliance on taxpayer-funded support for social support services, including Centrelink benefits and emergency relief to name just a few.

According to the report “Prison and Debt: Does debt cause crime”, 49 per cent of prisoners said they had committed a crime to repay a debt.<sup>2</sup> Other research has found that women who reported having debts when they went into prison had much higher rates of returning to prison (32 per cent vs 17 per cent)<sup>3</sup>. A 2003 NSW study found that 51 per cent of ex-prisoners had debts and those with debts were more likely to re-enter prison than those without debt.<sup>4</sup> Recidivism rates in Australia are high, with 44.8 per cent of prisoners released during 2014-15 returned to prison within two years (to 2016-17).<sup>5</sup>

- 1 <https://www.smh.com.au/opinion/curing-our-addiction-to-prison-20160421-gobl0h.html>
- 2 [http://www.sentencingcouncil.justice.nsw.gov.au/Documents/Projects\\_Complete/Fines/interim\\_report\\_on\\_fines.pdf](http://www.sentencingcouncil.justice.nsw.gov.au/Documents/Projects_Complete/Fines/interim_report_on_fines.pdf)
- 3 Trotter, C & Flynn, C (2016). Literature review: Best practice with women offenders. Monash University Criminal Justice Research Consortium, Victoria, Australia. <http://www.powertopersuade.org.au/blog/women-leaving-prison-and-the-impacts-of-debt/27/7/2017>.
- 4 [Justice Action, Submission to the NSW Law Reform Commission, Project on People with Cognitive and Mental Health Impairment in the NSW Criminal Justice System, 3 February 2011, p2.](#)
- 5 <https://www.sentencingcouncil.vic.gov.au/statistics/sentencing-statistics/released-prisoners-returning-to-prison>

The situation doesn't need to be like this. If a person in prison receives appropriate support, information and advocacy early on in their jail term – not only from financial counsellors but also a more responsive system – they either don't incur any debts or existing debts don't escalate.

### **3.2. Prison financial counsellors in demand**

To give a person the best chance of reintegrating into society, their financial situation needs to be stable. The definition of stable finances means different things to different people. It may be that they still have a clean credit rating; or that a 'friend' or family member they trusted as their power of attorney hasn't cleared out their bank account; or that debt collectors aren't circling the day they walk out the prison gates; or their car or household goods have not been repossessed; or that their name has not been put on a tenancy blacklist due to unpaid rent.

A small number of financial counsellors across the nation work with prisoners and their families to try to tackle their debts. Financial counsellors advocate on behalf of prisoners with creditors to put recovery action on hold; they help access documentation so prisoners can file tax returns or access superannuation; they can arrange for utilities to be disconnected and try to negotiate with landlords to break rental leases.

The list of tasks is endless. And whether a prisoner has a \$200 phone debt or credit card debts totalling thousands of dollars the level of work is the same. However, because any debt causes inordinate anxiety for prisoners and their families, financial counsellors spend whatever time is necessary to resolve the problem.

Financial counsellors also help people prepare for their return to a world that is often unrecognisable due to the passage of time. This means educating them about their rights and responsibilities and extending their financial capability. Much of this work occurs in the financial counselling sessions. However, some prisons also offer financial literacy workshops, which help prisoners become more educated consumers. Regardless of the way the education is delivered, increasing prisoners' financial capability helps build their confidence.

# 4

# Prisoners' debts

## *Endless, varied, stressful*

Prisoners incur endless and varied debts. A 1998 survey from the Queensland Prisoners' Legal Service found that 80 per cent of Queensland prisoners were in debt on entering prison. The Law and Justice Foundation of NSW's 2008 report "Taking justice into custody: the legal needs of prisoners" found that virtually all prisoners surveyed were in debt: some debts pre-dated their incarceration while others had accumulated (and were still accumulating) while they were in jail.<sup>6</sup>

### **4.1. Most stressful debts**

People in prison tend to owe larger amounts of money to government agencies when compared to the population. These debts are not subject to the same protections that apply when credit is obtained commercially. Financial counsellors overwhelmingly rated the most stressful debts for people in prison were those owed to: Centrelink; housing departments; the Child Support Agency; the Tax Office; and state agencies for fines and infringements.

### **4.2. Child support**

Child support debts affect a growing number of prisoners. Financial counsellors estimate that some debts can be up to \$100,000, amounts so large they will never be repaid. If the Child Support Agency (CSA) is not contacted immediately a person enters prison, the debt will continue to accrue as a person's assessment for child support does not automatically revert to NIL when people start their sentence.

CSA staff used to visit prisons to sort out issues on the spot, but this no longer happens. The CSA does have a dedicated telephone number for prisoners to use but often the situation can't be resolved in the maximum 15 minutes allocated to a phone call. When the prisoner calls the CSA a second time, they can often end up speaking to another staff member, so they go back to square one.

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<https://justiceconnect.org.au/sites/default/files/Prisoners%20Report%20-%20July%202012.pdf>

Moreover, prisoners don't necessarily call the CSA as soon as they end up in jail, for reasons that will be discussed. Debts for child support cannot be bankrupted, which leaves a person with few options when they are released from prison.

### 4.3. Centrelink

Centrelink benefits are automatically cancelled when a person goes to prison. Financial counsellors estimate the vast majority of prisoners have Centrelink debts. Without any income or any way to work off those debts, a person remains liable for them. A person leaving prison in receipt of a Centrelink allowance immediately starts repaying these debts through automatic deductions. They can lose up to 35 per cent of that income before they have even started to get back on their feet, which adds to the stress they feel upon their release.

### 4.4. Fines and infringements

Unpaid fines and infringements remain highly problematic because they take an inordinate amount of time to resolve. By the time fees and charges are added, a small fine can blow out to many thousands of dollars. The way fines are treated varies in every state and territory. As one financial counsellor pointed out: "Penalties exist for people who deliberately avoid paying fines but, generally, the most disadvantaged in society are copping the most debt."

In Victoria legislation allowing a person to pay off certain fines concurrently with their jail term may help ease some anxiety around these debts.<sup>7</sup> But people who have been in prison for many years may not necessarily be included in such programs that convert fines to time served.

### 4.5. Tax

All citizens are expected to file tax returns. This is a complex task for people in prison yet if a return is not submitted and tax is owed, punitive rates of interest are added. It is also vital to lodge tax returns because this can stop child support debts escalating. The Tax Office computer systems are linked with the Child Support Agency. Each taxpayer has an indicator on their tax record to show if they have to pay child support. Therefore, up-to-date tax returns provide evidence to the CSA that a prisoner has no income, which recalibrates assessments.

Few financial counsellors are registered to provide tax help so they can be reluctant to help prisoners lodge returns. They primarily help prisoners

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<https://www.theguardian.com/australia-news/2017/aug/01/victoria-law-letting-prisoners-pay-fines-with-jail-time-will-reduce-recidivism-legal-aid-says>

access the required documentation and/or request moratoriums or waivers of tax debts. Being able to call on registered tax volunteers to offer help with tax returns would be invaluable.

Financial counsellors report that the Tax Office doesn't have a system to help prisoners who don't know their tax file numbers. Accessing documentation and PAYG statements is also difficult. And because all documentation has to be faxed or posted to the ATO, this increases the chances that paperwork is misplaced or lost.

#### **4.6. Bank fees**

Bank account fees continue to accrue when a person goes to prison, as do the fees incurred when direct debits are dishonoured. Because it is close to impossible for prisoners to cancel direct debits, money continues to be taken out of an account.

Where a person has applied for a credit card online, the bank doesn't have a signature on file. So even when a prisoner signs an authority for a financial counsellor to act on their behalf, the bank will not talk to them because bank staff can't verify the cardholder's signature. Again, fees and charges continue to mount.

#### **4.7. Mortgages**

All mortgage holders have options under the National Credit Code – including for arrears to be capitalised or for interest-only payments to be made. But if the prisoner is unable to fill in the paperwork to access hardship, the house is at risk.

#### **4.8. Private rental**

Where a person lived in private rental, arrears can quickly mount. Personal belongings may be lost because a person has been unable to arrange for safe removal or to pay for storage. A person can walk out of prison with no clothes and no phone and having lost precious photographs and mementos. Or a "friend" may take over the rental property but if any damage is done, the prisoner remains liable because the lease is in their name.

#### **4.9. Rent to buy**

Where a person has signed a rent to buy contract for a computer or a fridge, for example, ongoing payments need to be made and the items returned at the end of the contract period. If the person can't make the payments, the items will be repossessed but the loan will still be in arrears. If the items haven't been repossessed because the lender doesn't know where they are, the person could face being charged with theft or have to replace the items - on top of the charges incurred for defaulting on the contract.

#### **4.10. Car loans**

A family member is often able to continue to pay a car loan and chooses to do so. Financial counsellors have, however, reported instances of dealers repossessing cars even where payments are being made.

#### **4.11. Mobile phones**

As one financial counsellor argued: "A phone contract is based on the provision of a service. If a person can't use that service because they are in jail, then they shouldn't still have to pay for the service. Once the phone has been returned to the carrier, all the penalties for cancelling the contract need to be waived." At the moment, costs will continue to accrue.

# 5 Barriers to tackling debts

Barriers to tackling debts can be divided into two categories: those that relate to the prisoner's capacity and those caused by circumstances beyond the prisoner's control.

## 5.1. Barriers relating to the person in prison

### Low literacy/numeracy; high levels of trauma

Many prisoners are from severely disadvantaged backgrounds, with serious physical and mental health issues and higher rates of disability than is found in the general population. Research also suggests that a high percentage of prisoners have been victims of childhood sex abuse. An Australian Institute of Criminology study that tracked 2,759 child sex abuse victims who were abused between 1964 and 1995 found they were almost five times more likely than the general population to be charged with any offence.<sup>8</sup>

Demographic information reports that 60 per cent of prisoners are functionally illiterate or innumerate, while 60 per cent did not complete Year 10.<sup>9</sup> Furthermore, in a Corrections Research Paper Series,<sup>10</sup> it was estimated that 42 per cent of male prisoners and 33 per cent of female prisoners in Victoria had an acquired brain injury (ABI). This compares with an estimated prevalence of ABI among the general population of 2 per cent. Such low levels of literacy, numeracy and general life skills and high levels of trauma mean prisoners don't have the wherewithal to write letters to creditors, fill in appropriate forms, or self-advocate.

### State of mind/mental health

Financial counsellors and other case workers report high levels of anxiety and depression among prisoners. They are often in no state to think about anything other than dealing with the impact of their sentence and adjusting to the prison environment. This absorbs all their mental energy. They also prioritise other pressing problems, including attending to their legal issues and trying to see their children as soon, and as often, as possible.

8 'Child sexual abuse and subsequent offending and victimisation: a 45 year follow-up study'; Ogloff J, Cutajar M, Mann E and Mullen P; Canberra, ACT : Australian Institute of Criminology, 2012.

9 <http://www.disabilityjustice.edu.au/wp-content/uploads/2015/10/The-Booming-Industry-continued-Australian-Prisons-2017-.pdf>

10 No 4 April 2011 [https://assets.justice.vic.gov.au/corrections/resources/36d7e731-e819-4ed3-972d-269b829b952d/acquired\\_brain\\_injury\\_in\\_the\\_victorian\\_prison\\_system.pdf](https://assets.justice.vic.gov.au/corrections/resources/36d7e731-e819-4ed3-972d-269b829b952d/acquired_brain_injury_in_the_victorian_prison_system.pdf)

Often people think they need money to get on top of their debts, so believe it is a lost cause to worry about their financial problems. So even where they do have capacity to act, they need to be given hope and support to change their mentality.

Other financial counsellors report that shame at their financial situation is overwhelming, often especially among the Indigenous/Aboriginal population.

Advocates report that motivating prisoners to take charge of their finances is challenging because the penal environment is purposefully disempowering. As a rule, when financial counsellors work with clients, they try to ensure the client drives the decision-making process as much as possible but this is difficult when their clients are not in a suitable emotional state. "Doing with is harder than doing for," said one financial counsellor, but it is an important part of the process, even if it takes longer.

Early intervention is the key. If debts aren't tackled early in the period of incarceration, the scene is set for severe hardship down the track. But it is not surprising that prisoners give up, because doing simple things that most people take for granted becomes onerous. For example, consider the process required to access identity documents. Prisoners can't keep their identity papers in their cells due to the risk of fraud, but getting ID out of storage is difficult. Prisoners need ID to obtain their credit report, for example, and although prison management can provide an identity statement, credit reporting agencies such as Equifax or Dun and Bradstreet won't accept that documentation and require a photo ID along with other detailed information such as prior addresses and Medicare card numbers.

### **Need to build rapport**

Prisoners are sensitive about being deprived of their right to take control. Financial counsellors support an empowerment model. However, as noted earlier, "doing with is harder than doing for." To work effectively with prisoners, financial counsellors need to build trust, which takes time. Building rapport and breaking down barriers is especially important with Indigenous prisoners because it helps tackle the issue of shame. It is difficult for financial counsellors to take the time to build rapport when there are so many debts that need to be tackled urgently. The corollary is that tackling debts is delayed to ensure financial counsellors build trust with the people they see.

## 5.2. Circumstances beyond the control of the person in prison

### People at different stages in the court system

Some 33 per cent of the prison population is on remand – they have been charged and are awaiting a court appearance. The remand population grew by 87 per cent from 2012 to 2017<sup>11</sup>, and people can spend up to two years on remand. Financial counsellors report great difficulty in negotiating with creditors to reschedule payment plans and arrange hardship for people on remand because often creditors want to know the specific dates repayments will start or when the person will return to a job. Yet only people who have had their trial know possible release dates.

### Lack of documentation

People often end up in a remand centre without any documents. They may have been picked up on the street by police due to a warrant being issued and bail is refused. In other cases they have been given legal advice that they would get bail but did not. Many people have not had the time to get their affairs in order and gather important documents even if they had the wherewithal to do so.

It is virtually impossible for a third party to cancel subscriptions such as Netflix or Spotify without having access to email or user ID and passwords. Most people can't remember all this information to be able to pass it on to a third party to contact providers to make appropriate arrangements.

### Everything done on paperwork

Prisoners can't access the internet "for very good reasons", says a financial counsellor who works with people convicted of sex crimes, so all correspondence has to be done by mail. Prisoners are often not even allowed access to pens and pencils. And when prisoners are moved around at very short notice, it causes chaos. Documents aren't returned in time to meet creditor-imposed deadlines, or just get lost in the system. In a 21st-century system geared to the use of digital technology, 20th-century communication methods of "snail mail" and facsimiles frustrate the process.

### Working with creditors

As noted above, creditors often require specific dates to arrange payment plans. Many financial counsellors also note that when banks and utility companies on-sell debt to collection companies, debt buyers can be completely unrealistic about the capacity of ex-prisoners to make payments. "What is the point of a bank selling a debt at even 10 per cent of its face value when nothing is ever going to be recovered and the client could easily go bankrupt when he gets out of jail?"

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<http://theconversation.com/three-charts-on-australias-booming-prison-population-76940>

Hardship provisions typically only last three months, although it is possible to negotiate an extension to six, nine or even 12 months. It was suggested that creditors could provide more long-term solutions.

A prisoner is also not entitled to banks' standard anti-fraud protections if their account or credit card account is accessed online with User ID and password details – even if these details were obtained without permission or were only provided so the person could support the prisoner but ends up stealing from them instead.

### **Barriers to accessing prisoners**

Every step in the process takes a lot of time. Financial counsellors have to book an appointment or a phone link with the prisoner. Then the prisoner signs an authority form to allow the financial counsellor to act/speak on their behalf. If the prisoner has no paperwork from the creditor and can't remember account details then the creditor may not acknowledge the exceptional circumstances to make it easier to negotiate favourable outcomes. Creditors also ask for evidence that the person is in custody or evidence of the release date, which requires further information either from the solicitor or from prisoner Sentence Management.

If ID is required and the prisoner has stored this at the prison, they have to put in a request for a copy of their ID, which can take weeks to be actioned in some prisons. Occasionally, ID needs to be certified, so the financial counsellor has to put in another request and wait for a Justice of the Peace to assist them.

### **The system**

Prisoners are often moved with less than 24 hours' notice due to overcrowding or requirements such as attending an education course at another prison, a court hearing, or being approved to move to a lower security centre. Often a financial counsellor will turn up to an appointment but their client has been moved. Financial counsellors then waste valuable time finding out where their client has been moved. It also means one less appointment is available for another prisoner.

Financial counsellors report significant variation in navigating the system, with some finding the bureaucracy more helpful than others. But as one noted, the top echelon of corrective services departments might agree on the need for timely help for prisoners, but this attitude doesn't always trickle down to frontline staff. Such treatment is inexplicable "because it causes more frustration for the prisoner when there are such delays in getting their debts tackled. They carry around a lot of anger and resentment at their treatment by 'the system'. And without an appropriate avenue to allow them to talk about their situation, receive counselling, their already poor mental health can deteriorate or they may end up in fights with other inmates. This just puts more pressure on prison staff, services and management."

### **Lack of knowledge of what financial counsellors do**

Both staff and prisoners are generally unaware of the work financial counsellors do and how their work can ease the frustration many prisoners feel. More training of staff is therefore a key, because it is to everyone's benefit if correct referrals are made to financial counsellors. The service also needs to be promoted to prisoners because the need is huge. When word gets around of how financial counsellors can help, this provides a constant stream of referrals.

# 6 Solutions inside the system

*"I wish I'd known all this stuff before I came into prison. My life would have been so different."*

*"If I can get this debt sorted, I won't need to steal to pay it off, and then I won't end up in here a third time."*

*"I can finally see some light at the end of a very long tunnel."*

These statements, from current or former prisoners as reported to the financial counsellors with whom they work, don't have any fancy statistics attached but are a powerful testament of the rehabilitative power of knowledge, financial education and support from financial counsellors. Each debt tackled can mean one less person who is likely to end up back in jail.

Financial counsellors also report that resolving debts is a big part of the rehabilitation process. Prisoners already feel considerable guilt – because they have left their family without a breadwinner, or they have left their family to the mercy of debt collectors. Prisoners know family members often impoverish themselves by paying their debts – often unnecessarily so. Furthermore, reducing the stress on prisoners while they are serving their sentence can mean a more stable prison environment.

Creating extra money by helping a prisoner access their superannuation on compassionate grounds to pay mortgage arrears, or ensuring a prisoner files a tax return, can also help keep family relationships alive, which, again, are a key to reduced recidivism and a more successful reintegration into society.

The support from financial counsellors also gives people hope to face the world: that someone thinks they are worth helping, which helps build trust. So maybe we can let a prisoner have the final word as to the value of the service provided by his financial counsellor. "He didn't even treat me like a prisoner. He treated me like a real person with real concerns."

## 6.1. Changing the system of telephone numbers

Financial counsellors repeatedly raised as a barrier the exorbitant cost to prisoners of making phone calls. Prisoners only receive a small weekly allowance yet pay retail prices for telephone calls. Sometimes the rates negotiated between the telecommunication company and Corrective Services are higher than the retail price. For example, prisoners may have to pay mobile rates or STD (standard trunk dialling) rates for a telephone call that is charged at a local call rate to a person in the community.

As prisoners are not allocated jobs until well into their sentence they have very little money to spend on expensive phone calls. And even then the allowance paid is very small. Free call numbers are set by the state or territory or the individual prison, and adding numbers to the list requires approval. Currently, prisoners can make calls to specific agencies such as Centrelink and the Child Support Agency, but not to third parties such as creditors. Calls are also monitored and limited to 10 to 15 minutes.

In some states, the other party to the call has to give permission to be contacted. Recently, a staff member at a Victorian prison called the National Debt Helpline on behalf of a prisoner who wanted to speak to a financial counsellor. Because the National Debt Helpline number is not on the approved list, NDH staff had to get permission for the prisoner to make that call. Moreover, calls to the NDH typically last for 30 minutes where a person has multiple debts, so the time limit on calls adds to the difficulty for a prisoner to sort out their situation.

### *Access to the National Debt Helpline*

The National Debt Helpline number (1800 007 007) must be added to the ARUNTA free call lists. NDH financial counsellors would provide the valuable triage service that is currently missing. Prisoners can only call about 10 numbers and financial counselling is not on the free call list in any state.

## 6.2. Triage model

A referral system needs to be set up to triage appointments. Prisoners currently self-refer to financial counsellors but this isn't always effective. Sometimes the problems aren't financial-counselling related, at other times more urgent cases are delayed because less urgent cases haven't been triaged or not enough information has been provided about the referral. If financial counsellors are telephoned before the first meeting, they have an idea of what issues will be discussed, and can plan and ensure they turn up with the appropriate resources.

### *Triage model*

Appointments for financial counsellors need to be managed using a triage approach, so that referrals are appropriate and matters are prioritised.

## 6.3. Mandatory financial health check

Financial counsellors raised the option of making it mandatory for prisoners to be given a financial health check, possibly during the induction program. A snapshot of the prisoner's situation would be taken and common financial issues discussed.

In some places, a checklist is used at intake that asks if services or utilities need to be stopped. Additional questions are asked at a later time. While there was general agreement that one week into a person's sentence is a good time to have conversations about financial issues, the question was who should take on this role? Staff doing other assessments, such as psychologists, social workers, or those making housing arrangements, understand how the system works. If they could be persuaded to help, they would need training to ask the right questions. Furthermore, with so many issues already discussed at intake, concerns were raised that prisoners could be overloaded with information at a time they are feeling vulnerable and therefore not receptive.

### *Mandatory financial health check*

A mandatory "financial health check" needs to be undertaken at around one week into a person's sentence.

## 6.4. Training of staff

The extent of support from caseworkers varies from prison to prison. Financial counsellors raised the idea of peer to peer training as a way to support existing workers to either deliver financial information or make

appropriate referrals to a financial counsellor. Adding a financial capability component to allied health programs would help ensure staff were trained to pick up on financial issues. However, using prison officers to deliver more information to prisoners is fraught – it places an extra burden on already overworked staff and it is not always appropriate for prison staff to know so much about a prisoner’s personal situation. Prisoners remain entitled to their privacy. Furthermore, staff are often in short-term roles and may not know enough about how the system works. For this reason alone, a financial counsellor who knows in depth how to navigate the system must be made available in every prison. This would also eradicate the ad-hoc nature of referrals.

#### *Training of staff*

Training other caseworkers in prison to deliver financial capability information would help alleviate the problems.

### **6.5. Toolkit of resources**

Basic booklets are available that provide information to family members on how best to cope with debts when a family member is imprisoned. Queensland for example, has a great booklet but it needs to be updated. This information could be displayed widely in court areas and prison visiting areas. Increasing the awareness of people’s rights and responsibilities about their finances is an important first step.

A package of standard letters would also be invaluable. An induction kit would include form letters to the Department of Housing, the Tax Office, the Child Support Agency, utility providers and creditors and so on to inform them of the period of imprisonment. Form letters would provide a template on how to cancel direct debits and seek debt waivers where appropriate.

#### *Toolkit of resources*

Basic booklets are needed with information for families on how best to cope with debts when a family member is imprisoned. Standard letters to advise creditors that a person is in prison would also be practical.

### **6.6. Working in partnership with other services**

As Legal Aid NSW says, ‘If you go in on your own, you add to the chaos’ in prison. Numerous organisations provide services in prisons but depending on the state, they are often uncoordinated and run on an ad hoc basis. It is therefore important to partner with agencies that have an existing relationship with prison staff or that deliver services a financial counsellor doesn’t. For example, chaplains already work in prisons and see

all-comers. Prison fellowship volunteers and an international Christian-based volunteer group work in Victorian and South Australian prisons. In Queensland a support program for people both in prison and post-release is provided in conjunction with Corrective Services and external non-government organisations, but only certain prisoners can access this support. Furthermore, workers can become overwhelmed by the huge variety of requests and post-release support is mainly focused on accessing accommodation.

#### *Working in partnership*

Agencies working in prisons need to consciously coordinate their efforts so that collectively, they are more effective.

### **6.7. Train prisoners**

Prisoner peers have credibility with other prisoners. Peer to peer mentors are invaluable intermediaries as they have “street cred”. Suitable candidates need to be identified and trained and they would be the go-to person for financial-related matters. In Victoria there are peers for vulnerable prisoners who are new to the system. This is a paid role. Using peer educators from specific communities to present information could greatly benefit culturally and linguistically diverse communities.

#### *Train prisoners to provide peer-to-peer support*

Peer-to-peer support by other people in prison has been shown to be effective. This would require training.

### **6.8. Educate and spread the word among prisoners**

A short film could be created to deliver information to prisoners. Because they spend significant amounts of time in their cell, the video could be shown on the in-house TV channel. Videos are also a good educational tool because of the low literacy levels among prisoners, as mentioned earlier. Legal Aid has already produced a mini movie along these lines: film schools could be recruited where students are given a project to help the education process. Prison libraries are also a great way to spread information, as are ‘market days’ inside prison where organisations would have a stall about the programs they run. Such innovative methods help cut through the lethargy.

#### *Spread the word*

Various forms of media and communication can be used to “spread the word” about financial issues to people in prison, including films.

## 6.9. Run financial literacy sessions

Improving prisoners' financial literacy/capability scored as a top priority. Increasing the number of financial capability workshops in prison was the first step. Financial counsellors considered such training a significant part of the rehabilitation process. "People need hope that they can turn their lives around and we can provide some of that hope through literacy education."

Moreover, prisoners want access to more programs because they are bored and are keen to fill in time and educate themselves. Prisons could offer a certificate course in financial literacy. A wealth of training materials is already available, including ASIC's MoneySmart website, while ANZ's MoneyMinded courses could be adapted.

Said another financial counsellor: "Obviously we have a captive audience, but it is also a perfect time to educate our clients and start the rehabilitation process. Let's teach them how to manage money – the lack of which is often what led to them being incarcerated in the first place. Often they have committed crimes simply to survive."

Group literacy sessions could be used as part of the triage process for referrals to financial counselling. Classroom delivery relieves the one-on-one pressure and can minimise the shame attendees may feel. "Prisoners soon find out they are all in the same boat regarding their finances."

Group sessions are also efficient because financial counsellors do not have to constantly repeat the same information to everyone. "Often we spend as much time educating our clients about financial matters as we do on advocating and helping them tackle their debts." Said another: "I did a lot of work on money matters – financial rights issues; budgeting matters; accessing credit reports; what are the responsibilities of borrowers; what they can and can't do and what the lenders can and can't do; and also navigating the legal system in relation to debts." For example, an explanation of the term "joint and severally liable" is important – that if a person upon their release signs up to rent a house with another person, for example, and that person "does a bunk", then they will be left with the responsibility of paying the whole amount.

Numerous financial counsellors reported the same feedback from prisoners: "They all wished this education was available all the time in prison." They report that prisoners feel significant anxiety about financial matters because they know life on the outside has moved on, and that they aren't prepared for it. A frequently heard refrain is: "How am I going to get on when I get out of here?"

Financial counsellors take on board this anxiety about how much the world has changed: "We are no longer living in a world of cheques and paying bills at the post office. It is now a world of Centrepay, Afterpay, Tap'n'Go and

chip and pin.” As a result: “We have a responsibility to educate those who haven’t been exposed to the technology.”

One financial counsellor related a recent experience of one of their clients. While on day release he was so overwhelmed by the new technology while shopping that he had a panic attack. He later reported that this wouldn’t have happened if he’d had access to financial capability sessions earlier and received that important education.

#### *Financial capability workshops*

Ensure financial capability workshops are run regularly in every prison. Some prisons currently run workshops but a nationwide program would ensure all prisoners reap the benefits.

## 7 Suggestions outside the system

### 7.1. Consistent response from creditors

A code of best practice from the debt buying industry would provide a more predictable and consistent outcome for prisoners. This includes a waiver of debts if a person receives a sentence from 18 months to six years, when the statute barred option comes into play, and better treatment of newly released prisoners. As one financial counsellor said: “It is unlikely these people are going to be offered well-paid jobs upon their release. They are never going to be able to pay back their debts.” Moreover, “sometimes creditors want to talk to guys as soon as they are released which is when they most vulnerable – they have no housing, no job, and haven’t had a chance to re-establish relationships with family and friends.”

However, others noted that where a debt collector’s or creditor’s hardship team had a financial counsellor liaison officer, the outcome for prisoners could be quite good.

Clean Slate, an innovative pilot project run by Brimbank Melton Community Legal Centre between 2014 and 2015, showed what is possible when creditors and community advocates collaborated in the interests of justice. More than 20 companies, including banks, telecommunications and utility companies, debt collection agencies and credit reporting agencies,

participated in the project. The legal centre negotiated bulk debt waivers for 122 women at the Dame Phyllis Frost Centre in Ravenhall who participated in the trial. Debts ranged from \$175 to \$15,000, with \$200,000 in debts waived. The project's leader, Stephanie Tonkin, reported that when prisoners were released with a "clean slate", this relieved an immediate pressure for them to re-offend to tackle outstanding debts.<sup>12</sup>

#### *Consistent responses from creditors in addressing debt*

More consistent responses are needed from creditors for people in prison. Debt waivers will be appropriate in many cases.

## **7.2. Creditor portal**

Lodging information on a single portal to notify all creditors that a person is in jail would greatly ease workloads. The information could include, for example, a change of mailing address, the length of the prison sentence, and a third-party authority form nominating a financial counsellor as the contact point. This method also minimises the opportunity for fraud because sensitive account information is not shared multiple times.

#### *Creditor portal*

A single portal creditor portal would allow people in prison to notify creditors at the same time about their incarceration.

## **7.3. Central contact point for hardship and prisoners**

Related to the point above, a central contact point in hardship departments is vital. As one financial counsellor said, "I have some good contacts which speeds up the process, but at other times it can feel like we are re-inventing the wheel." Another comment succinctly summed up the difficulties. "I have a good contact at the ATO, which makes the world of difference to my workload and the outcome for my clients. I can send this contact the information I have on my client's previous employers and previous addresses, details the Tax Office usually has on file, and they can match the information and usually provide me with that all-important Tax File Number."

This financial counsellor said he "buttonholed" this contact at an FCA conference a few years ago. "But good outcomes for all our clients should not depend on whether their financial counsellor has had the opportunity to cultivate good relationships with staff from creditor agencies. "What all creditors need is a central email address for financial counsellors to send

their queries to – for example ‘FC@ato.gov.au’. A team leader can then farm out all the work.”

Similarly, another financial counsellor said she had a senior contact with a large debt collection agency who had the authority to archive debts until they were statute barred with only minimal evidence required. Senior staff realised it was pointless chasing certain debts.

#### *Central hardship contact*

All creditors need to introduce a central contact point in their hardship departments specifically for prisoners and this contact must have the authority to make decisions. Centrelink’s prisoner liaison email address in Victoria is considered extremely helpful. Following this model, prison.liaison@ato.gov.au or prison.liaison@csa.gov.au could become a standard email address for government departments and commercial creditors.

### **7.4. A national hardship register for prisoners**

The continuation of a specific category for prisoners on the national hardship register is vital. The National Hardship Register provides the mechanism, but instead of a letter from Centrelink being the requirement for listing, evidence of incarceration would provide the appropriate proof of hardship. Listings on the register would then stop debt collection.

#### *National Hardship Register*

A specific category for people in prison needs to continue for the National Hardship Register.

### **7.5. Identification documentation**

There appears to be significant confusion as to what is acceptable identification (ID). As one financial counsellor pointed out, “surely it would be accepted that a person who has comprehensively been through the justice system has had their ID thoroughly checked. If they had any aliases, this is all included in the identity statement that Corrective Services provide and would have been sorted out well and truly by the time they leave prison.” Others pointed out that “creditors and other organisations such as superannuation funds need to understand that an ID statement from the Corrective Services department is a valid form of ID.”

### *Identification requirements*

Federal and state ministers need to commit to ensuring Corrective Services identification is accepted as a valid form of identification. Although this is a government provided form of identification, it is not currently recognised for the purposes of proving one's identity with a creditor or superannuation fund, or obtaining a birth certificate, a driver's licence, and so on.

## **7.6. Better training of hardship department staff**

Many frontline staff in hardship departments are inflexible, often because they haven't been trained appropriately. "Prisoners simply don't fit any of the usual rules. Staff demand a Statement of Financial Position (SoFP) because that is what the script says is required for a person to claim hardship. But prisoners don't have any income so there is nothing meaningful to put on an SoFP." When the standard criteria don't apply it seems to cause havoc in some departments.

“And then they want the date the prisoner will return to work, which is impossible to provide. We then have to escalate the situation and provide evidence of the person’s incarceration because the frontline staff won’t accept the situation or don’t have the authority to accept.

“Bank executives may well talk the talk but the word isn’t trickling down to their hardship teams.”

#### *Training of staff in hardship departments*

Frontline staff in hardship departments need more training so they are better able to tackle cases that don’t follow the usual pattern.

### **7.7. Ability to work off fines**

Legislation in some states allows prisoners with certain types of fines to serve extra time, including Victoria and Western Australia. In South Australia some fines can be converted to jail time, but this is not always served concurrently. A consistent national approach would be a good start.

#### *Fines and infringements*

State and federal justice ministers need to commit to introducing a national, cohesive and fair system for tackling fines and infringements.

### **7.8. Child support**

The Child Support Agency (CSA) needs to re-introduce a system where staff visit prisons regularly to meet with prisoners who have child support debts. These staff need to have the authority to make decisions on the spot to approve income reassessments or debt waivers.

Corrective Services’ computer systems should also link to CSA computer systems so that CSA is advised immediately a prisoner is incarcerated. Centrelink’s system already links to Corrective Services’ computer systems, which means Centrelink payments automatically stop from the date of incarceration.

#### *Child support*

CSA staff need to visit prisons regularly. Corrective Services’ computer systems should also link to CSA computer systems.

## 7.9. Access to basic bank accounts

Banks must make it easier for people in prison to change accounts to a no-fee account and ensure all direct debits are cancelled unless directed otherwise. A standard form would need to allow for the fact that many prisoners will not know their account numbers. The form may need to ask supplementary questions such as previous addresses and which ATMs a person typically used, so that their accounts can be identified. No-fee accounts are already required for recipients of Centrelink payments.

### *Basic bank accounts*

Financial counsellors can assist people in prison make sure that they are accessing a no-fee basic bank account.

## 7.10. Automatic cancellation of phone and rental good contracts

Telecommunication companies must ensure that once a person has been sent to prison a phone contract is automatically cancelled, with fees and charges backdated to the date of incarceration. The same must apply with goods bought from rental/lease companies.

### *Phone and rental goods contracts*

Phone and rental goods contracts should be automatically cancelled once a person is sent to prison.

## 7.11. Access to insurance for people with a criminal record

The Insurance Council of Australia needs to compile a list of companies that will insure people with a criminal record. A very small number of companies glean knowledge of the type of crime that was committed, so that they could make informed judgements about insurance risk. Currently, financial counsellors can make more than 20 phone calls trying to find a company prepared to offer insurance.

### *Access to insurance*

The Insurance Council of Australia could maintain a database showing which companies will provide insurance to people who have been in prison.

## 7.12. Early access to superannuation

The government needs to make it easier for prisoners wanting to access superannuation on the grounds of financial hardship. If a person has been on a Centrelink income for 26 consecutive weeks they are eligible. A person in prison receives no income, which surely provides grounds for financial hardship.

### *Early access to superannuation*

Prisoners should also have early access to superannuation on the grounds of hardship.

## 7.13. Centrelink debts

Many people in prison have debts to Centrelink. Repaying these debts after they leave prison can exacerbate financial hardship making it harder for them to re-establish.

### *Centrelink debts*

The federal government needs to introduce an equitable process for prisoners to wipe their Centrelink debts.

## 7.14. Funding for prison financial counselling

There must be more funding for prison financial counselling so that every person in every prison has access to a financial counsellor within two weeks of being incarcerated. This does not mean the Corrective Services department in each state needs to employ financial counsellors, rather it means that every prison is serviced by a financial counsellor. Financial counselling must also be extended to all those caught up in the justice system – including people on probation and on parole – with catchment areas clearly defined.

### *Funding for specialist prison financial counsellors*

Every prison in Australia needs access to adequate financial counselling services.

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# Appendix A

## **Workshop 1 Attendees (April 2016)**

Rachael Millful (*Care Inc ACT*)

Tukie Balanzategui (*Prisoners Legal Service Qld*)

Janene O Donnell (*Uniting Care Community Qld*)

Astra Fleetwood (*Anglicare SA*)

Anthony Plisek (*Anglicare Tas*)

Ursula Noye (*Brimbank Community Legal Centre Vic*)

Colin Handreck (*CAFS Vic*)

Kaye Norris (*Diversitat Vic*)

Kristine Fry (*Good Shepherd Vic*)

Anouk Ceppithomas (*Banyule Community Health Vic*)

Robert Evans (*Centrecare WA*)

Rob Benton (*Salvation Army NSW, joined via webinar on day 2*)

Fiona Guthrie (*FCA*)

Lauren Levin (*FCA*)

Jaque Conley (*FCA*)

Rita Battaglin (*FCA*)

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## Appendix B

### Workshop 2 attendees (August 2016)

Vanessa Hood (*FCA*)

Jo Evans (*Legal Aid, NSW*)

Glen Rutter (*Victorian Magistrates Court, CISP program*)

Jenna Harrison (*Corrections Victoria*)

Melissa Pritchard (*Corrections Victoria*)

Claire Seppings (*Churchill Fellow*)

Emma Roesch (*Department for Corrections Services, SA*)

Nicole Fairchild (*VACRO*)

Gregor Husper (*Victorian Legal Aid*)

Christine Gorman (*Department of Human Services*)

Hayley Barnes (*Department of Human Services*)

Hopeson Chiao (*Department of Human Services*)

Matt Povey (*ASIC*)

Ashley Truscott (*ASIC*)

Samara Hand (*ASIC*)

Barry Wyndmar (*Bindjareg Project, ASIC*)

Sue Fraser (*Kildonan Uniting Care*)

Katherine Olgivie (*Centre for Innovative Justice, RMIT*)





[www.financialcounsellingaustralia.org.au](http://www.financialcounsellingaustralia.org.au)