



Submission in response to:

DSS Discussion paper released January 2017

Financial Wellbeing and Capability Activity

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is the peak body for financial counsellors in Australia.

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About Financial Counselling Australia

FCA is the peak body for financial counsellors in Australia. We support financial counsellors and provide a voice on national issues. We advocate on behalf of the clients of financial counsellors for a fairer marketplace that will prevent financial problems in the first place.

About Financial Counselling

Financial counsellors provide advice to people experiencing financial difficulty. Working in community organisations, their services are free, confidential and independent.

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PART A – INTRODUCTION

1. About this Submission

1.1 How the submission was prepared

As the peak body for financial counsellors, a core role for FCA in responding to this discussion paper was to accurately reflect the views of the financial counselling sector. To do this, we asked financial counselling agency managers around Australia, FCA's Representative Council¹ and FCA's Policy Advisory Network² for their feedback through surveys and phone links.

The responses from the surveys are attached to this submission:

- Attachment 1 – feedback from agency managers
- Attachment 2 – feedback from the Representative Council and Policy Advisory Network

We also held four separate phone links to allow maximum participation: three for agency managers and one for financial counsellors who were members of either FCA's Representative Council or Policy Advisory Network.³ Attachment 3 is a summary of these phone links.

There are a number of direct quotes from financial counsellors and agency managers included in this response. These come from comments made in the telephone phone links or surveys and illustrate particular points (some have been slightly edited for clarity or grammar).

1.2 Structure of the submission

Part A (this part) includes an overview of the feedback we collected from the financial counselling sector.

Part B responds to each of the five proposals in the discussion paper. For each proposal, we set out:

- a summary of the themes from the feedback from financial counselling agency managers and financial counsellors

¹ The Representative Council includes two members from every State financial counselling association and the ACT, one of whom is the Chair of that State association.

² FCA's policy advisory network comprises 11 financial counsellors from around Australia who have agreed to provide policy input to FCA.

³ Phone links for agency managers were held on 16th March, 20th March, 21st March. A phone link for members of FCA's Representative Council and Policy Advisory Network was held on 23rd March.

- comments from FCA
- some suggestions about a practical way forward

Part C includes feedback from the financial counselling sector and from FCA about other opportunities to redesign the way financial counselling services are delivered. We would welcome the chance to discuss these further.

2. Summary of Sector Feedback

2.1 Response to the five proposals

There were no significant differences in the feedback from financial counselling agency managers and financial counsellors.

At a broad level, the sector raised a number of concerns about three of the proposals for change:

- potential changes to eligibility – these were seen as narrowing the group of clients able to access financial counselling as well as being practically difficult to apply;
- requirements for agencies to develop formal MOUs for referrals - this was seen as adding an unnecessary administrative burden. Agencies said they already had referral pathways in place;
- a requirement for financial counsellors to incorporate “work readiness” into their interactions with clients. While financial counsellors would, where appropriate, provide support or encouragement for clients in relation to employment, the sector is very concerned that this new focus would fundamentally change the role of a financial counsellor. Conversations about employment are also not relevant for some clients, for example, those in receipt of aged pensions.

The other two mooted changes – workforce development and evaluation - did not raise the same level of concern.

2.2 Other comments

A number of people were concerned about what they saw as the underlying philosophy of the discussion paper. Figure 1 for example was criticised as a limited description of why clients might require financial counselling. For example, the “at risk” box does not recognise that poverty and low income are a major risk factor.

There were many comments about a theme in the paper that better budgeting/money management was the “solution”. This implies that a lack of these skills is one cause of financial hardship. This may be the case for some clients, but for many, many others, this is simply not the case.

Other people also commented that the very low level of social security benefits and large numbers of people living in poverty directly contribute to financial hardship.

“The document talks as if they are ‘doing something to people’ – it needs to be more client centred.”

PART B – RESPONSE TO THE DISCUSSION PAPER

1. Eligibility

1.1 Summary of Sector Feedback

Overall comments

The majority of people who responded to the surveys or in telephone conferences, were concerned about restricting eligibility. These concerns ranged from wanting to provide broad access as the right thing to do and having a service that is open to everybody (“for all Australians”), to practical issues about implementing restrictions. An example of a practical issue would be for services with both State and Federal funding, where there are different eligibility criteria (this was mentioned a number of times in the phone links).

Some of the relevant points are below.

- At what point would eligibility for the service be assessed?
- There is the potential to impose an intrusive triage process. Will the assessment will need to be worked out with the client or would clients self-identify?
- For clients with mental health issues, a financial crisis is at the end of a long line of problems - the way eligibility may need to be assessed could make the situation worse.
- If we are turning people away, where do we refer them? It could end up with referrals to other services with no eligibility issues eg housing (but where financial issues are not adequately assessed).
- People may also end up accessing for-profit debt management firms (“into the arms of MyBudget”)

Some people however were not concerned about restricting eligibility to financial counselling services to people at “imminent risk of not being able to pay their debts”. This was because they believed this definition already described the client group and would therefore make little difference.

“I feel that we already offer ER and CFC services to those at imminent risk of not being able to pay their debts - I don't really think this will have any significant change to those that we work with and support.”

Early Intervention

There were concerns that it was contradictory to talk about early intervention/prevention if there were going to be eligibility restrictions.

“We would prefer to help people earlier.”

“The issue with placing restrictions on these services is that they become reactive and not proactive. It is difficult to measure the impact early intervention has as it is not tangible .. but from our experience early intervention has a greater impact on clients wellbeing and long term financial sustainability.”

Some client groups who could benefit from financial counselling could be excluded

Respondents were worried that some groups of people who currently access financial counselling could be excluded by this definition. Examples provided included:

- Victims of natural disasters – some people in this group may or may not be at “imminent risk”, depending on their circumstances.
- Prisoners
- BSWAT Payment Scheme clients
- People who are only just making ends meet – the working poor for example
- Indigenous people in remote areas who are just struggling with everyday living, but not primarily debts
- People who are sick, for example, undergoing cancer treatment may not be at “imminent risk” but seek financial counselling
- People who are homeless
- Small business

“One of the benefits of financial counselling is that it is available to all Australians .. now the working poor may not get access. Where will they go?”

Concerns about the definition of “imminent risk”

Concerns about the definition of “imminent risk” were raised a number of times in the phone conferences, with worries that this definition would be too narrow or too hard to apply practically.

One person was concerned that people affected by family violence may answer “no” to any screening tool for access to services.

Financial capability and Centrelink income

Some immigrants and non-citizens do not receive Centrelink benefits and would therefore be excluded.

Some people also noted that financial capability services are also targeted to people who are not necessarily on Centrelink benefits. They are either the “working poor” or people who have no income at all.

“We have serious concerns about restricting access to financial counselling for those only in receipt of social welfare allowance. We currently support many clients who are 'working poor' who would not be able to access this service.

Some people commented that financial capability services should be seen as an early intervention program and that the proposed restriction would be counter to this.

Issues for remote clients are described in this quote below:

“Many of the remote clients we currently see are not in receipt of an income support payment - sometimes because they have ceased to engage with the social welfare system; sometimes because they have had payments suspended; sometimes because they are working. However almost universally, all of these clients still need assistance with the development of financial capability.”

Restrictions for emergency relief services

There were mixed responses about the proposals to change eligibility for emergency relief services. Some agencies said that if people returned relatively frequently, it was their standard practice to suggest the client attend financial counselling.

One person noted that “restricting eligibility will provide the fuel for additional unhappiness and aggression from clients. As it is primarily volunteers that are delivering this program nationally this seems to be extremely unacceptable.”

1.2 FCA Comments

Constitutional Risk

The discussion paper notes that the proposed changes to the FWC are within the “context of changes to the background law, including decisions made by the High Court on the Pape and Williams cases”.⁴

These court cases have led the Federal Government to assess what has been described as “constitutional risk” involved in current funding programs – every grant program needs to be linked to a specific head of power in the Australian Constitution. The proposed eligibility criteria of “imminent risk of not being able to pay their debts” presumably links the financial counselling component of the funding to section 51 (xvii) and the power of the Commonwealth Government in relation to bankruptcy and insolvency.

It probably would have been more helpful therefore for everyone responding to the discussion paper, if this background had been spelt out explicitly. If the change does go ahead, it will be important that this information is explained to the financial counselling sector as this is important context about the “why”.

Financial counselling

There are arguments for limiting access to any free government-funded program to those most in need. Many financial counselling agencies do this now through triage processes. For example, clients where legal action is pending would be given priority over others with less pressing debts. But the proposed restrictions may see some clients who would benefit from financial counselling and who would normally get access, potentially miss out. Examples are: some people in prison, family members seeking advice on behalf of relatives, people in the early stages of financial hardship seeking preventative advice or some people escaping family violence (depending on their circumstances). It is also not clear if BSWAT Payment Scheme clients would be eligible.

Financial capability

Limiting financial capability services to people in receipt of Centrelink payments will exclude people on no incomes. This could include new arrivals, people whose Centrelink benefits have been suspended or people who have disengaged from the social security system (such as some Indigenous people). People classed as “working poor” would also be excluded.

⁴ Page 6 of the discussion paper.

1.3 Practical Way Forward

Financial counselling

Proposed guidance from DSS about what constitutes “imminent risk” needs to be drafted widely. For example, imminent risk could cover:

- Having a deficit budget
- At risk of not being able to pay a priority debt - housing (rent, mortgage), utilities, telecommunications.⁵ This would include people who had already missed payments or were late in making payments.
- At risk of not meeting their overall financial commitments.

The definition should extend also to providing services to people contacting financial counsellors on behalf of relatives.

The suggestion above is a very rough draft and early thinking. We would welcome the opportunity to consult with the financial counselling sector and DSS about a workable approach.

Financial capability

Could eligibility for these services at least be explicitly extended to Indigenous clients, resident in a Territory? This would presumably address constitutional risk, given the Commonwealth powers in this area. This could overcome some of the potential restrictions, where some of these clients may have no income or have disengaged with the social security system.

⁵ In today’s world it is no longer possible to operate without a connection to others via a phone or the internet.

2. Hubs and Service Integration

2.1. Summary of Sector Feedback

MOUs

The sector was very concerned about any contractual requirements for formal MOUs. This was seen as “red tape” and “rubber stamping” and would “reduce flexibility”. Many people said that it would take a lot of time and effort to develop and maintain these agreements, but for very little gain.

Agencies also stressed that they already had good referral networks with other relevant agencies. They were worried that the paper seemed to assume that referral processes were not in place now. A number of agencies pointed to regular inter-agency meeting that were already taking place to ensure they worked together cooperatively.

“I think that strengthening networks is a positive thing, and would have no issues with this. Government needs to be aware that these networks take time to develop and manage, if they are going to work properly.”

There were also questions about whether DSS was going to set out what should be in a MOU.

One agency manager from the National Debt Helpline commented that face-to-face financial counselling agencies should be obliged to take referrals from them.

“Having a formal agreement won’t reduce the number of people bumping around in services they need.”

One agency manager said that formalising agreements would bring more accountability.

Hubs

A number of people said it was unclear as to the definition of a “hub”. At the same time however, there was a recognition that having a number of services under one roof could be helpful for clients.

More clarity about the exact model for a “hub” would be helpful.

Adequate resourcing to set up hubs was mentioned a number of times, including in infrastructure costs.

“A “requirement” to formalise relationships may just mean extra time and resources to move forward. Any sort of requirement would need to be associated with extra funding for an internal hub establisher/coordinator.”

Challenges in rural and remote areas

It is not possible in some areas to have referral pathways for all of the services that may benefit clients simply because of distance. One example was an agency who noted that their nearest Family Relationship Centre was 220 km away. An agency manager in a remote area commented:

“Further, the distances people are travelling make it extremely hard to coordinate collaborative work with other professionals - different places at different times, no mobile phone coverage so much must be done via email ... There has to be some allowances for the added complexity of working in the remote environment, and the physical and cultural challenges that poses in terms of moving clients from crisis to stability.”

Concerns about partnerships with jobactive providers

A few people were concerned about any explicit requirements to partner with jobactive providers, for example:

“Financial counselling services are free, confidential and independent. Let’s keep it that way - entering into a partnership with a compliance system such as Job Active will be detrimental to our reputation and ability to maintain our transparency as a service.”

2.2. FCA Comments

We agree with the intent of this proposal - effective service delivery requires effective referral pathways. But there are issues with a formal contractual requirement for MOUs, which may not add a lot of value.

The figure in the discussion paper that “around 70 per cent of FWC services currently offer only a single FWC service to their clients” needs some more analysis. Some of the National Debt Helpline services for example are stand-alone while others may offer services that are not funded by DSS (eg legal advice). Similarly, other financial counselling services may be located in say housing services or community legal centres. While they may not also offer for example, emergency relief or NILS, this co-location is still of benefit to clients and they may work closely with other relevant services.

More information is also needed about what exactly constitutes a “hub”. At one level, they seem to be mechanisms to replace many smaller services with one

larger one. That may or may not improve client outcomes depending on implementation.

2.3. Practical Way Forward

If this proposal were to go ahead, it would be helpful if DSS were to develop a template MOU that could be adapted by agencies.

Rather than formal contractual requirements for MOUs however, another option would be for DSS to ask agencies to map their current referral pathways. This could be done in any future tender round, using a table along the lines below. *(This is a very early draft and needs more work - and landscape presentation to collection more information. The first few lines of the table have been filled in as an example.)*

Client Need	Provided by our service ✓ or ✗	Specify external provider	How do clients access and reach this service? (eg given the information, phone referral, case management) ⁶
Housing	✓		Situated on the same premises
Family relationship		(name of) family relationship service,	Usually a phone referral made while the client is with us. The service is 10 km away and available by public transport.
Mental health			
Family violence			
ER			
NILS			
etc			
Other (specify)			

⁶ DSS could then assess how effective these referral pathways will be for clients.

3. Work Readiness and Financial Counselling

3.1. Summary of Sector Feedback

Overall Comments

This proposal generated significant unease. There were concerns that the proposal could fundamentally change the role of a financial counsellor, so that rather than focusing on debt advice, financial counsellors would be required to focus on their clients obtaining employment. This was seen as problematic for a few reasons including that:

- people in receipt of NewStart are already required to connect with the jobactive network. Financial counsellor involvement is arguably duplication;
- for some clients, a focus on work readiness was not appropriate or meaningful. This would include clients in receipt of Age Pensions and Disability Support Pensions. This could also be the case for some clients escaping family violence – mandatory requirements to raise work readiness may not be relevant and could be harmful;
- clients themselves are seeking advice about their debts. A focus on “work readiness” will be confusing. When a financial counsellor is able to work with clients to address problem debt, it “frees up bandwidth” so that people can make decisions about all other aspects of their lives;
- the proposal was seen as simplistic, and did not recognise the complex issues facing many clients. For example, there are strong links between mental health issues and financial stress (both cause and effect) – addressing mental health issues may be a more important issue to focus on for a client;

“I personally have several clients with intellectual disabilities and limited capacity, not to mention those suffering from trauma with limited capacity.”

- jobs are often not available. Similarly, clients cannot always access courses that may increase their job prospects;
- many clients seeing a face-to-face financial counsellor might have one appointment with follow up by telephone. Other clients may have up to say four appointments. In any event, the ability to focus on work readiness, as well addressing financial difficulty in these appointments would be limited.

There were also questions about whether DSS would evaluate the extent to which clients were able to obtain employment after undertaking financial counselling and how that could possibly happen.

“Financial counsellors already have a range of skills. How much do they expect from one person.”

“People won’t engage if forced to see a financial counsellor.”

What exactly is meant by “work readiness”?

Some of the comments asked for more clarity about what exactly was meant by “work readiness” and what would be expected of a financial counsellor.

“In addressing work readiness and employability skills, is it the goal ... to see all FWC workers trained in employment services as well, or is it the goal to have a referral system in place with a registered employment provider?”

“Financial counsellors are not trained to assess someone’s work readiness and employability skills.”

jobactive services

A number of people commented that the jobactive services were not very effective or successful.

People who are long-term unemployed need intensive case management and financial counsellors are not well placed to do this.

Finding ways to increase income is already a core part of financial counselling

Notwithstanding the concerns summarised above, some people commented that where appropriate financial counsellors already talk to clients about the possibility of obtaining employment and offer suggestions and encouragement about how to do this – as part of their normal financial counselling practice. Their concern is that the proposal suggests a “whole new body of work” and that there are barriers to employment.

“We do talk to clients about going back to work. But there are barriers such as childcare, needing the money to upskill, mental health is a huge barrier.”

“Everyone knows that working for pay is better than being on unemployment payments but we need to be very mindful that many clients have worked for many years, are over 50 and that their prospects for employment are limited particularly in areas of high unemployment. The overwhelming majority of clients want to work but there are not enough jobs. Add to this if your car is

repossessed and you live in a regional area with little or no public transport how are you able to access employment?”

3.2. FCA Comments

A major cause of financial hardship is unemployment or underemployment. Obtaining work, or more regular or better paid work, is clearly a good way for clients to overcome any financial difficulty. Financial counsellors will always support clients in doing this. But it is important to acknowledge that many clients are unable to work, for example, because they have disabilities.

The core role of a financial counsellor is providing advice to their clients about managing bills and debts. Obtaining employment, or work readiness, may often be a part of this and might also include some focus on financial capability. If this proposal therefore is interpreted as simply emphasising what is already good financial counselling practice in relation to supporting clients into employment, it would raise no concerns.

But if on the other hand, the intention is to fundamentally change the way financial counsellors go about their work this would be highly problematic.

3.3. Practical Way Forward

The discussion paper includes some examples of how work readiness could be addressed including:

- “referral to an appropriate employment service ...
- providing financial literacy support ...
- emphasis(ing) employment as a key goal when working with clients on Newstart Allowance ...
- explor(ing) pathways with clients to increase employment prospects.”⁷

These suggestions are largely consistent with what financial counsellors would already do with clients in appropriate circumstances. The way forward may be to make these current processes more visible and overt (for the clients where it is appropriate). Asking financial counsellors about the tools and strategies they use now for these situations would be a good starting point.

⁷ Page 13.

4. Workforce Development

4.1. Summary of Sector Feedback

Support for workforce development

An investment into the sector for training and development was welcomed.

“A national training strategy is a good idea with uniform standards for all financial counsellors.”

Financial counsellors said that requirements for training and development needed to be built into funding agreements with funding earmarked for this. At the moment, some agencies are not providing adequate training to their staff.

Current issues in attracting and retaining staff

Agency managers noted the problems they have in attracting financial counsellors. One of the major reasons for this is the continuing uncertainty around funding. There are also limited career paths. Young people in particular do not have career paths.

Specific training needed in some areas

A number of people mentioned specific areas where training was needed including family violence and gambling.

“National training is great as this reduces the burden on individual agencies. However, time and effort need to go into recognising and tailoring information and training which is suitable for each state/territory.”

4.2. FCA Comments

High quality, coordinated training across Australia is a big gap in the financial counselling sector. States with funded associations (Victoria, NSW, SA and WA) generally have much better access to training than those without them (Qld, NT, Tasmania, ACT). But even within the funded States, the training opportunities vary widely.

Agencies need to be contractually required to set aside a certain percentage of their funding for the training of their staff.

4.3. Practical Way Forward

FCA is about to begin the development of a workforce development strategy for the financial counselling sector. The landscape issue that needs to be addressed is providing funding stability. Without this we continue to lose good staff and cannot attract new, younger people.

5. Evaluation

5.1. Summary of Sector Feedback

There was strong agreement about the need for ongoing evaluation of all programs.

Matching longer term outcomes however and “proving causality” was seen as challenging. There were also questions about what outcomes exactly did DSS want to fund?

“Is referral to a jobactive provider an outcome, or do clients have to get a job?”

Various purposes for an evaluation were suggested, including to improve the quality of the service, as well as measure the impact of the program. The views of clients about service delivery need to be included. Any evaluation needed to address short and long-term outcomes.

A pre/post survey methodology was seen by some people as having merit, but for some traumatised clients will be too difficult.

“I had one client who burst into tears when she saw the question about relationships.”

“DSS need to fund the iPads so clients can undertake the survey.”

There were questions about who should carry out the evaluation: a professional firm or government?

Data Exchange

The DSS Data Exchange uses SCORE as one mechanism to assess client change and outcomes. This was seen as having some limitations including the subjective assessment by the providers, not the clients. Longer term follow up would be more effective. The DEX system no longer collects any information about the complexity of casework.

Financial Capability Workers

There is no consistency in approach about how financial capability services are delivered. Some people raised concerns about the program itself - “Is this the best use of services” and “is it preventing problems”. It would be useful to be clearer about what exactly is expected of financial capability workers in terms of outcomes, how these are to be delivered and measured.

Other Comments

There were some comments about how it would be helpful to have stronger guidelines about how the program as a whole should be delivered.

5.2. FCA Comments

Evaluation is something that we all strongly support.

Previous evaluations

FCA has been collecting the various evaluations of financial counselling in a central database and these are listed below:

- Dignity and Debt Project Evaluation Report
- Child and Family Services Client Evaluation Survey
- Evaluation of MoneyMob Talkabout Program
- Uniting Communities Financial Counselling Evaluation Report
- The Salvation Army: 'I Wish I'd Known Sooner'
- Money Help Financial Counselling Evaluation
- Child and Family Services Client Evaluation Survey
- Department of Justice: Drowning in Debt
- Review of Government Funded Financial Counselling Services
- Performance Review and Audit of Rural Financial Counselling Services
- Cost Benefit Analysis of the Commonwealth Financial Counselling Program
- Financial Management Resource Support Unit Evaluation on Money Management (Training)
- Performance Audit of Money Management (Financial Capability) Service Strategies
- ICAN Interim Evaluation Report January to December 2016

The most useful and pertinent research is "I Wish I'd Known Sooner" commissioned by the Salvation Army, and undertaken by RMIT. The key findings from this research are below.

- People who seek help earlier and who have had financial difficulties for less than one year are more likely to report that financial counselling was able to solve their debt problems. The survey data found a statistically significant correlation between the duration of financial difficulty experienced and the likelihood that financial counsellors were able to resolve the issues.
- The overwhelming majority (94.2%) of respondents had a positive experience of financial counselling and agreed or strongly agreed with the statement "I would be more willing to seek financial help earlier" as a

result of their experience with the service.

- Financial counselling has a major role in alleviating the emotional stress associated with financial difficulties and gives people a more positive outlook. This is evident in many of the comments provided in the survey:
 - "[Financial counselling] not only helps with financial stress, but emotional and mental wellbeing. This is a trustworthy service. It is very important that people can access a service such as this."
 - "I feel as if a heavy weight has been lifted from my shoulders."
 - The data on client perceptions of financial counselling outcomes also supports this. 69.3% of respondents agreed or strongly agreed with the statement "I feel more positive about the future" and 62.9% agreed or strongly agreed that "My mental and/or emotional wellbeing has improved". From the comments it was evident that the key features of the service perceived as important by clients are the non-judgmental listening, advocacy and education (budgeting, access to hardship programs, available services, links and liaison with other services).
- Overall the survey data showed that clients reported positive outcomes on a range of measures including financial capability, health, advocacy and resolution of the financial stress. Reported positive outcomes are especially strong in terms of advocacy and financial capability and a majority of clients reported that "My financial difficulties were resolved" (65.6%) and "My financial situation has improved" (67.9%).

FCA's own work

FCA has long been interested in encouraging the evaluation of financial counselling programs. Over the past 18 months or so we have invested a lot of time and effort into putting together program logics for financial counselling and financial capability.

The development of these tools included DSS in two workshops in Canberra in 2015 and 2016. The financial counselling logic model was further refined at a meeting of agency managers in Adelaide in May 2016 (coinciding with the FCA conference) and in December 2016 at a workshop in Melbourne to talk about data collection that included DSS as well as representatives from State Governments. In November 2016, we also held a video conference to share this work, and that of DSS and others with financial counselling agency managers.

Our evaluative work in relation to financial counselling extended to putting together a first draft of an evaluation framework for financial counselling (incorporating the program logic). In relation to financial capability our next step

was going to be looking at how we could use the “most significant change” technique as a potential evaluation methodology. We have now placed this project on hold depending on the next steps from DSS.

Program logic, evaluation and “work readiness”

We note that the program logic developed in consultation with the financial counselling sector does not explicitly refer to employment outcomes (or work readiness) or individual and family functioning, although these may be to some extent implicit. Two of the changes we expected to see for example were “improvements in wellbeing (physical, mental, self-esteem, confidence and relationships” and “deal with other issues in life”. The end result of financial counselling in the program logic was conceptualised as:

- Current financial difficulty is alleviated (e.g. increased income, reduced outgoings, no debt collection activity)
- Debt situation more manageable, enough money to live on, improved income/expenditure (e.g. credit file is fixed, go bankrupt, debts waived or reduced, joint debts split, use NILS or Centrepay)
- Financial difficulty in the future is prevented or minimised
- Cost savings to government/community/industry

Finally, any evaluation needs to recognise the fundamentally different inputs, outputs and outcomes between financial counselling and financial capability workers.

5.3. Practical Way Forward

We strongly recommend that the Department consider the previous work we have completed in relation to program logic and evaluation frameworks, and build on this in any future evaluation of the FWC program.

We would welcome the opportunity to work with the Department in this regard.

PART C – REDESIGNING FINANCIAL COUNSELLING

We took the opportunity in the phone links with agency managers and financial counsellors to ask them for their suggestions about how the program could be re-designed. There were not a lot of comments, possibly because they were focusing more on the DSS proposals and had not put their minds to this. One person pointed to the broader context in which the FWC activity operates:

“We can continue to put band aids over the problem but we need to speak out about the inadequacy of Centrelink payments and this is a role for FCA.”

Other suggestions, not covered in the comments above, were:

- The Commonwealth needs to work much more closely with the States
- There needs to be much closer integration between the National Debt Helpline and face-to-face financial counselling
- It would be helpful to have more guidance about how to deliver the program
- We need clearer triage processes
- Financial capability workers – is this the best use of resources? What problem are we addressing?

ATTACHMENT 1 – SURVEY RESPONSES FROM AGENCY MANAGERS

QUESTION 1 – ELIGIBILITY (20 responses)

Two main changes to the FWC guidelines will be:

- ER & Commonwealth Financial Counselling (CFC) services would be restricted to those at imminent risk of not being able to pay their debts; and
- As a complement to the income support safety net, Financial Capability would be restricted towards;
 - people in receipt of an Aust Govt social welfare allowance, pension or benefit
 - people experiencing domestic and family violence, and
 - Immigrants/non-citizens.

Clients attend financial counselling due financial stress, for the majority of our clients this stress is caused by not being able to pay their household living expenses or debts due unemployment, loss of job, redundancy, sickness, and relationship breakdowns are some of the major factors. We also see clients who want to understand where their money goes and how to better budget and meet some financial goals they have set themselves. The community at large benefits from being able to give clients tools to manage their money and prevent financial stress.

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We have serious concerns about restricting access to FC for those only in receipt of social welfare allowance. We currently support many clients who are 'working poor' who would not be able to access this service. Who would decide what 'imminent risk of not being able to pay their debts' would be? This would stop people from proactively engaging with services which can support them from getting into significant financial difficulties.

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I feel that we already offer ER and CFC services to those at imminent risk of not being able to pay their debts - I don't really think this will have any significant change to those that we work with and support. I don't think that Financial Capabililty should be restricted that greatly and should be available to people who are working with a financial counsellor as well. There are other groups at risk - people coming out of prison, people experiencing homelessness, people with mental health issues, disabilities - the list goes on. This doesn't really make any logical sense.

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How do you determine who is most at risk? This could be very subjective and it concerns us that it will lead to people missing out on services that they need. Financial counsellors already have a triage process via the 1800 helpline

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This would be problematic for us for a couple of reasons. Our client group is entirely remote indigenous clients. In many of the locations we work in, our financial counsellor works on an outreach basis and assist with both financial counselling and financial capability tasks, often with the same client. More information about how such a separation would be maintained in this situation is needed. Secondly, many of the remote clients we currently see are not in receipt of an income support payment - sometimes because they have ceased to engage with the social welfare system; sometimes because they have had payments suspended; sometimes because they are working. However almost universally, all of these clients still need assistance with the development of financial capability. They have extremely poor financial and general literacy and numeracy. It would seem a shame if these clients could not be assisted until the point when they are at imminent risk if they could be captured earlier on.

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Anyone is at risk of financial crisis, certainly some more than others, however the GFC showed us the broad spectrum of people who can find themselves in financial crisis. During the GFC we had people with investment properties and children in private schools coming to our FC services at the same time as people with entrenched social issues. Current economic debt to income ratios are now higher than during the GFC, so any limit on our potential client base could exclude many in need. What is "imminent risk" no doubt this will be defined however we currently welcome people concerned about moving into not being able to pay their debts who come to our FC/FCW services. The earlier we can get to people the better. FC's also play a great role in providing community education on financial matters. These groups can be broadly based and it is often impossible to know the makeup of such groups. We need to ensure that the great role FC's play in community education continues. We have found the FCW role to be very worthwhile, restricting the client base could mean that deserving people miss out e.g. the working poor, small businesses people, people on work cover, people without income etc, people working but with disabilities. People the subject of disasters e.g flood, bush fire also come from a wide range of backgrounds and socio/eco profiles. They often need immediate support before the financial crisis is realised. We need to increase the number of FC's and FCW's, and then increase the awareness of these critical services. Many people are just not aware of the existence of these services, or until it is too late. Further strategies to increase access would include; more face to face services funded, more after hours services (phone, internet and face to face) and having friendly and welcoming initial point of contact face to face services.

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Homelessness is an important factor

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The issue with placing restrictions on these services is that they become reactive and not proactive. It is difficult to measure the impact early intervention has as it is not tangible on what may be prevented but from our experience early intervention has a greater impact of clients wellbeing and long term financial sustainability.

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The introduction of restricting eligibility will provide the fuel for additional unhappiness and aggression from clients. As it is primarily volunteers that are delivering this program nationally this seems to be extremely unacceptable. In our own case we are fortunate to also have a team of professional case workers as well as our team of volunteers, to respond to more high need and/or complex cases, however similarly those workers do not want to be working with clients that are aggressive as they are unable to access a primary service so that

they can eat, access medicine and other basics. For some clients one or two sessions may be quite sufficient to address crisis situations. However for others it will take a lot longer to provide assistance that may lead to some positive long term outcome. In those cases we actually encourage clients to return to develop a rapport and over a period of time work to address issues. A search of our database informs that 30% of people presenting for ER are Newstart recipients and only 18% of CFC clients are Newstart recipients. This is reflective of the fact that clients receiving Newstart have little funds left for bills and food after they pay rent, often this can be up to 80% of their income. However, for clients that are on such a low income there is little

Debt does not discriminate in this way and the service should be available to support those in financial hardship. RBA have already reported that 1 in 4 Australians with a Mortgage will be in hardship when the interest rate is increased by 1%. Over 75% of Australian find themselves in financial hardship due to an unexpected life event ie: loss of job, illness, etc. Our service is lifesaving to these people.

It fits as an extension of government welfare reform. Difficulties associated across all community support services in checking whether people are experiencing domestic and family violence. While I think people in this category do need to have simple access to support (including financial capability) not sure at all how effectively this could be implemented without excluding people who would prefer to answer 'no' to any screening tool , no matter how artfully used. Definition of 'imminent risk' would be crucial. And are all debts equally 'critical'

I'm concerned about the definition of 'imminent risk'. Financial Counsellors have become very adept at assessing client need, capacity, appropriateness and urgency for service. Access to financial counselling should not be restricted based on criteria set by people who are removed from the work. Reality is that all clients seeking financial counselling are at 'imminent risk' of not being able to pay something. Many services providing ER already assess clients based on frequency of presentation, what the crisis is and whether there are other services the client may engage in to improve their own circumstances. While there is a lack of consistency some judgement needs to be left with the providers who deal with community. To suggest that financial capability is the answer to inadequate government income support is an insult. Financial capability should be viewed as a financial literacy, early intervention program and as such should be available to any client who needs to build their money management knowledge and capacity.

Many Financial Counselling clients - and some referred to Financial capability are working, but on low income trying to pay private rent or mortgage. Often they are families with children. To limit service provision to those receiving Centrelink would not meet the goals of assisting people in financial hardship in their early stages - but wait for them to become unemployed etc before being eligible for services. Financial stress can be damaging to personal relationships - by accessing services early on - this can provide an economic as well as human benefit - as we all know stress impacts hugely on health, if relationships are maintained - then less single parents etc. With many programs and services ONLY available to those on "welfare" or with Concession cards, there is a whole section of the community who miss out repeatedly on assistance and help. Many rural regional members of our community fall into this gap. Also, it goes against the goal of encouraging returning to work - it is sometimes an economic disadvantage to work on a low income and lose benefits and access to programs at the loss of your concession card.

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Very narrow. There are a whole lot of people who get into trouble that fall between these categories, and rather than FCs or FCWs being able to work with them proactively before they get to crisis point, we'll be fighting rear guard battles all the time once people are already in crisis.

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We have been working with these restrictions for years because it is such a high volume service and to assist the most vulnerable with funds available we have had to add this to our criteria. Also with the DSS data system we need information on Centrelink Statements to enter relevant data required.

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Sounds a reasonable approach - but rather than just the word 'debts' perhaps consider 'bills and debts'

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I believe that the two main changes to the FWC guidelines are irrational in today's economy and do not take into account the clients that have received services in the past or those that agencies believe will need services in the future. ER has previously been considered also as a crisis that has entered into a persons life. This may not be at risk of not being able to pay their debts it may be that they have a medical crisis, dental, family issues like additional family members staying due to cultural reasons, funerals, children coming into their care and no payment for at least 2 weeks or more, domestic and family violence and a host of other issues that are impacted on their ability to manage their finances and for the family to function in society not just at risk of not being able to pay their debts. They may need some emergency relief and normally also need to see a financial counsellor. The financial counsellor will make sure that they are getting all their entitlements, check their income, do a comprehensive budget with the person, apply for assistance where needed and offer options like NILS, Wearne Trust, AlintaCARE, Power Assist and others. They will look at debts and payments and work with the client so that they are able to financial manage in the future and a whole range of other options that will be offered to the client. Before you even look at whether they are at imminent risk of not being able to pay their debts a financial counsellor would look at whether the debt is actually theirs and whether it is accurate. Should the issue be going through to an ombudsman, ASIC or ACCC. I would not like to see ER going on something that had not been check to see if it is actually a debt. ER is a tool that should be used to assist in a crisis or to stop evictions, and those in financial hardship with all the above to be considered. Emergency Relief and financial counselling should not be restricted as it depends on the persons circumstances. We are experiencing clients with either less hours or less pay and many are casual. They often fall just over the scope for a health care card and are in financial hardship and struggling to work while in financial stress which is leading to more mental health, suicide and domestic or family violence issues. There are also those not any Govt. payment but entitle to a health care card because of their low level of income. Both of these groups needs Financial Counselling and Emergency relief as much as the person in receipt of an Aust Govt social welfare allowance, pension or benefit. Yes we need to make sure that people experiencing domestic and family violence, immigrants/non-citizens are able to be supported . However, there is no mention of Aboriginal people in the list , these are the most vulnerable group often have cultural issues that impact on their ability to manage financially, are more at risk of having their children taken away which could be linked to finances and inability to provide adequately and therefore, they should be high on any Government list.

Restricting financial counselling will result in narrowing down the role of the financial counsellor and excludes many clients such as those who have issues that are not directly related to debts. Clients in regional and remote areas will be affected because assistance with other issues such as Centrelink matters or responsible lending matters etc will no longer be available and clients may have to be referred elsewhere for such assistance.

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The increasing demand of current services continue to increase. While unfortunate restricting services to those in imminent risk would focus on the "most in need" reducing intake pressure. The intake system would have to be carefully planned as articulating the urgency of a financial crisis can be difficult for many. Information would also need to be provided for those who are turned away essentially deemed "not in imminent risk". Care for the workers would also need to be taken into account. Managing only the most highly stressed and crisis cases will affect an already stressed workforce.

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The alignment of the function and administration Emergency Relief-Material aid and information and with the role and function of Financial Counselling casework is confusing - and places scarce financial counselling services at risk of providing basic budgeting/referral services to material aid agencies. Increased housing costs (rental and mortgage) and increases in household gas and electricity costs have brought a new cohort of the Australian community to seek basic Emergency Relief Assistance (food and basic expenses) i.e families with one or more people in paid employment, professionals etc. Restricting service access: Socio- economic disadvantage - minority groups To minority groups such as urban Aboriginal Community - may be in paid employment but - are paying market rents close to employment, lack of employment tenure, income insecurity and overcrowded housing all contribute to households requiring Emergency Relief assistance - for clients who are not in receipt of Australia Govt Income assistance and not requiring financial counselling or budgeting help.

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QUESTION 2 – SERVICE INTEGRATION (16 responses)

The main changes here are:

- FWC providers would be contractually required to establish formal relationships and pathways with other FWC providers and other relevant services including Family Relationship services, JobActive providers and/or other appropriate services in their funded area;
- Expanding the number of FWC Service Delivery Hubs (agencies providing financial counselling, financial capability and no/low interest loans. Currently, Hubs operate in 29 Income Management sites primarily across WA and NT. DSS are also looking to fund additional sites across Australia, with a focus on areas of disadvantage and availability of other support services.

The consultation sub-questions cover: how to strengthen cooperation, what effects there may be from formalising relationships with other agencies, ways to better integrate microfinance, how to make a hub model work and what elements/innovation is needed to establish hubs in rural or remote areas.

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Financial counsellors spend the majority of their time seeing clients and casework. For them to build relationships with other services like jobactive or job network providers would take time and availability.

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I think that strengthening networks is a positive thing, and would have no issues with this. Government needs to be aware that these networks take time to develop and manage, if they are going to work properly. This can take time away from direct service delivery. I would support the expansion of the hubs. Many FC clients are not eligible for NILS loans, as they do not have capacity to pay. This will increase if clients are at 'imminent risk of not being able to pay their debts'. Financial Capability workers may find more of their clients are suitable for NILS.

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This seems to diminish the actual act and purpose of financial counselling itself. It seems that the importance to the government is shifting to income management and community finance. I agree that a more integrated, holistic approach would be useful but what constitutes a 'formal relationship'. I am concerned that smaller providers of financial counselling will be pushed out. It is just as important to integrate financial counselling into community legal centres.

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Partnerships and collaboration is valuable if used effectively. Most services would already have strong links with other specialist organisations in their region to ensure effective referral pathways. Employment is obviously an important issue but it is not the solution for most financial counselling clients. More of our clients are either working already and have debts due to relationship breakdown, ill health leading to increased costs or other related factors. Many who don't work also can't work because of health issues or caring responsibilities (children, partners, aged parents, family members with a disability) Hubs are a good idea though many organisations already provide all of these services without being a formal 'hub'. There is also a need to link financial counselling and consumer legal services

There needs to be a common understanding amongst services (perhaps informed by common message coming through funders and funding agreements) about the inclusion and importance of case planning to assist clients with their financial circumstances. Not all services get this currently, and so continue to work in a siloed way or perhaps not even siloed - just not aware of client finances as a need that can be worked on collaboratively with another service and prioritising their own service imperatives. In addition, in the remote context, there is high turnover of staff given the extreme demands of the environment. So a positive collaborative relationship can be established with a service or a professional, and then that person moves on and you have to start all over again, or there is a lengthy gap in recruitment such that collaborative case planning falls in a hole.

Further, the distances people are travelling make it extremely hard to coordinate collaborative work with other professionals - different places at different times, no mobile phone coverage so much must be done via email. Difficult to achieve wrap around. Hub models can work, but there has to be a recognition that things will not happen on "city" timelines or according to city processes. There has to be some allowances for the added complexity of working in the remote environment, and the physical and cultural challenges that poses in terms of moving clients from crisis to stability. Innovations that are needed are that culturally sensitive ways to assess Aboriginal people's situation and define meaningful outcomes for them needs to be developed. The current one size fits all DEX approach is not a good fit, even the scales used don't make a lot of sense in terms of the way Aboriginal people use language. Lastly, ways to better integrate with microfinance - I note that Good Shepherd and FCA both sent out separate surveys regarding this discussion paper, despite I imagine substantial overlap in the services you are working with. So better integration could start with the peak bodies talking to and working with each other. The funding available for NILS, whilst being increased, is ludicrously low and largely subsidised by already stretched services. Offer better funding, and you would get better integration - we certainly know it is possible from having all these offers under the one umbrella and being able to see our client's situation end to end - but continued resourcing to support NILS - especially remotely - is virtually non-existent unless you take money/time away from your financial counselling and capability offer. So you are cutting off your nose to spite your face.



A "requirement" to formalise relationships may just mean extra time and resources to move forward. Any sort of requirement would need to be associated with extra funding for an internal hub establisher/coordinator. Services who can demonstrate collaboration and integration already should not be required to enter formal relationships, as this would just mean more time and resources to formalise what is already being done. Funding for FC/FCW/NILS/ER should be location based so that funding for all services is available at all key locations. Current funding program for NILS administratively sits outside of FWC program. Need to offer funding for all FWC services together to facilitate providers seeking to offer linked up services. FCW's should be trained to deliver NILS, which fits in well with the FCW role. A NILS conversation can readily come up during a FCW session. This would ensure greater access to NILS by appropriately trained people. In rural and remote areas access via phone and internet supported by visiting services has proven to be effective. Govt should map what services exist now and make all aware, with full details, to aid referral and collaboration.



The most effective way for this to work is for organisations to provide a number of services from the one centre. This allows for the smooth referral (warm handover) of clients between programs and results in better outcomes for clients due to the wrap around (Case management)services provided.

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There are already a variety of formal relationships in place. As long as each organisation is working from a similar mission this is quite achievable.

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FC services are free confidential and independent lets keep it that way - entering into a partnership with a compliance system such as Job Active will be detrimental to our reputation an ability to maintain our transparency as a service. Again debt does not discriminate Microfinance options will work better when the process is less cumbersome and administratively exhausting for both worker and client. Products need to compete with the online services that provide access to monies within 30 minutes!

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While not formally 'Income Management sites' many agencies have multiple FWC activities. It is not uncommon to have micro-finance, NILS, ER and financial counselling/capability all under one roof. While they could be enhanced referral pathways to others services likely already exist. Any movement that encourages greater collaboration is welcomed, however DSS should be cautioned that asking for these to be formalised will create layers of management work that is possibly unnecessary. This organisation has attempted engagement with JobActive providers in the past and struggled to get them to understand the link between addressing financial problems and working on good financial behaviours to people sustaining employment.

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from an FC point of view - we are not trained in job capacity. FCs work from an enabling model and a wholistic approach. Often they are based in a Community setting that promotes service integration and referral. Financial Capability worker and FCs in my region are working together - referring to each other's service and external services that would benefit client outcomes. NILS and other Microfinance are an important tool for those on low income - a vital option rather than rent to buy or pay day loans. Making access to microfinance and Financial capability can only benefit those in financial difficulty.

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We have a holistic service and are fortunate to have in house programs e.g Street to Home, Pathways, Capability officer, Private tenancy Officer, Financial Counsellors, Homeless services and domestic violence refuge.

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Most effective for wrap around support when co-located with Family Violence Financial Counselling & Gamblers Help Financial Counselling

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FWC providers are contractually required to establish formal relationships and pathway - in most cases we have some relationships in place already. However, if formal relationships are required then there needs to be time and funds allocated to do this. Draft MOU's need to go between each agency, meetings with the agencies taking back to both Management Committee/Board so that they can be signed off. How will the client get to that agency, will either agency have funding in place so that this can occur? If a client is in severe financial hardship they often don't have petrol money or money for a bus or train, they have often walked to our

agency. We run a better way by having the agencies come out to (our service) so that the client has a one stop service. When FWC Service Delivery Hubs came into being our funding was reduced by half and then that half had to fund a financial counsellor and a financial capability worker. The number of workers needs to be increased as we had 8 financial counsellors 4-5 funded under DSS and had a 2 week wait so now it is impossible to see all the people that need help. The area is too large for one financial counsellor to see all the clients that need assistance. We have even started outreach but then that reduces the financial counsellors time at the main office for financial counselling. We are looking at 60 or more kilometres by 30 kims

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This model can only benefit both services and those accessing the services. A pool of support, information, resources and programs for both staff and the community would improve client outcomes. Co location of services is a very good start. As a Financial Counsellor at an integrated health facility I work with doctors, psychologists, two family support services, employment services, infant health nurses, fitness and health team, two mental health services, Centrelink and a few smaller NGOs. Its a great thing to have every one in the building accessible and referring between services as needed. Meeting with services also assisting the client/case would be an excellent implementation.

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Expanding hubs- to contractually formally establish relationships and referral pathways is a one strategy for strengthening cooperation. However other examples of good practice exist - which also strengthen formal relations and referral pathways i.e co-locating financial counseling and financial capability workers in community health services, community legal centers, Aboriginal Health Services, Culturally and linguistically diverse community interest groups i.e refugee groups, language and cultural groups. Contractually mainstreaming 'financial counseling/ER with single issue services may not serve the objective of strengthening relationships and pathways but rather diminish relationships.

QUESTION 3 – CLIENT OUTCOMES (EMPLOYMENT) (15 responses)

Strengthening pathways to employment by requiring:

- Financial counsellors and capability workers will be required to address work readiness and employability skills (this could be through referral to an appropriate employment service or providing financial literacy support to someone in transition to or for employment);
- All FWC services to emphasise employment as a key goal when working with clients on Newstart Allowance, and explore pathways with clients to increase employment prospects; and
- clients to be provided with appropriate referrals to other services (including JobActive providers) that can strengthen their capability and stabilise their financial situation.

Enhancing stability & resilience through ER:

- Clients who present on multiple occasions within a certain timeframe would be required to demonstrate that they have taken reasonable steps to reduce their costs, increase their income or improve their financial management.

Opportunities for implementing prevention and early intervention service:

- proactive education to at risk target groups
- community promotion, better promotion of FWC services in the community; and
- co-operation with partner organisations to engage clients who are accessing non-FWC community services.

The consultation sub-questions cover: what strategies could be used to help clients improve financial/employment outcomes, how your service deals with clients who present on multiple occasions and how can DSS better support early intervention/prevention.

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We encourage clients to use all the services our agency has to offer, for example family support, community welfare officer, youth workers. Financial counsellors discuss a range of options for clients to move forward with their debt and employment is always discussed. We encourage clients to look for employment and work with their jobseeker agencies. Clients who come to our services multiple times are encouraged to attend financial counselling to help them deal with budgeting and any other financial issues they may have. Perhaps there needs to be a study to understand what gaps exist between ER services and finding employment for these clients who rely on emergency relief. A pilot model that employs a new specialised position within an agency that can help those clients who rely on welfare relief. This specialised position would have a fundamental understanding of the role of financial counselling however would have additional skills and roles to support the client in becoming job ready through psycho-social supports. Perhaps a person with additional counselling skills who could work closely with the client - looking after their mental well-being, emotional state and who not only has empathy for their situation but who is empowered to work closely with the client to ensure they are motivated and supported in applying for jobs. This person may work closely with job agencies to assist the client long term.

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Pathways to Employment - FC's are able to discuss employment with clients and can ask if they are linked in with a job network provider. However, many clients that our organisation see have mental health issues, drug & alcohol issues and disabilities. These clients will struggle to gain employment. I don't believe it's appropriate for all clients to be pushed by the FC to gain employment. This will reduce the trust in the FC/client relationship, which will reduce the effectiveness of the engagement. ER who would be required to determine that the client has 'demonstrated reasonable steps' Funding to early intervention support would be beneficial

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A strategy that would improve financial/employment outcomes would be offering discounted transport to Newstart recipients so that they can more easily access public transport with their requirements to visit job providers and attend interviews. I don't provide ER so can't comment on that.

Investing in financial counselling/capability and improving the financial situation of a client leads to improved overall well being so from this perspective clients will have improved employment outcomes. However there are a lot more complex issues around employment that need consideration. No service can solve the issue of inadequate income which is the case with Newstart. Many clients have other reasons that they cant work - health issues or caring responsibilities. Promoting services such a financial counselling so that people access support before there is a crisis is always a good idea. This already happens. Financial counselling is not a crisis service in most instances

Helping clients to improve employment outcomes in remote communities. There have been billions of dollars poured into this and the government has yet to find a workable solution, despite regular changes to its own employment program. There are simply not enough jobs; not enough investment in providing therapeutic resources to help people heal from the highly complex problems they have to enable them to work in the jobs that are available; and historic baggage about stolen wages/slave labour that causes Aboriginal people to resent doing 25 hours worth of "activities" in order to receive income support - so many refuse to engage and drop off the system so are not looking for work at all. We already encourage people to get jobs, and to engage with their job service provider whenever we can. A significant part of what we do is reconnecting people to Centrelink payments and the system. But forcing financial counsellors and capability workers to take on the role of becoming a secondary "employment consultant" by exploring pathways to employment will achieve little in the remote context except waste our time. As noted above, there are not enough jobs; further it has the potential to alienate clients who currently see us as a service they want to voluntarily engage with, rather than a service that is pushing something down their throat. Lastly, the job service providers get a huge amount of money. If we are to take on the role of finding pathways to employment, then fund us to do so; fund us to employ micro-enterprise coaches who can help interested people set up micro-businesses to generate some income. It is a logical step onwards from the development of basic financial literacy. There are good programs out there that have models for developing micro-enterprise, but there is not enough funding to collaborate with them. Much of the money is going to large providers like Many Rivers and Good Shepherd or Indigenous Business Australia, who require people to operate businesses at too sophisticated a level for most remote people. Re Emergency Relief, more stringent guidelines and assessments could be applied to determine client eligibility and deter repeat access. There should be more formal referral and integration pathways between financial counselling/capability services and ER providers (which are not always the same organization). However in the context we work in, this poses some challenges. For example, ER is mostly applied for over the phone, where the provider is often at a great distance from the client. If the client rings independently and requests ER, it is difficult for the provider to then compel the client to engage with the FW service that is 500kms away. Perhaps a second instance of ER should only be dispensed following a consultation with an FC, but then this could prove unreasonably restrictive when there is a genuine emergency, particularly if the FC does not have capacity to see them quickly. Further, where we are, ER is not the only way people can access money. Many of the family and other social support programs have brokerage money available, and some clients know they are able to access this by saying that they are experiencing financial hardship - some genuinely are, but perhaps not all. Or perhaps they are experiencing hardship but

not enough is being done to tackle the underlying causes of that hardship (such as DV or drug use), because of the difficulties of doing this in the remote context and the lack of services (e.g effective drug and alcohol programs, no women's shelters or safe/available housing for DV victims). So there needs to be a broader look at the issue of how various types of money is given out and how that aligns with the imperative to develop financial capability/stability (without cutting off the ability of practitioners to exercise judgment/discretion if they need to). Re proactive education to target groups, we do this - we work alongside other organizations to run workshops and try to target different groups - such as young mother's groups, community development employment program participants, those who work casually in various jobs, older people at Arts Centres, people starting employment. We also have no issue with promotion of the service - we have way more demand than we can service. What we don't necessarily have is services working off the same song sheet in terms of how they prioritise addressing client need or collaborating in an organized way with other services. State or federal governments could play a role in assisting this collaboration by supporting the development of shared case management frameworks - such as the Ceduna vulnerable person's risk assessment or some of the family violence risk assessment processes - and helping providers in a region to jointly use this as a basis for working with clients.

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The best way that FC services support clients into employment outcomes is through freeing them up from financial stressors, so that they can focus on issues such as employment. There is a lot of evidence now that people in financial crisis just make poor decisions on financial matters, this does not mean that they budget poorly or are somehow less intelligent on financial matters it just means that because of the crisis they have cognitive overload or limited "band width" (see for example, "Scarcity; why having too little means so much" (2013) Mullainathan and Shafir) Providing clients with space to focus on non-financial matters is something that FC's have been doing for decades. We just need more resources for face to face FC's to do this with more clients. This sort of intervention happens most effectively with ongoing in depth face to face casework because of the trust relationship established. Many low income people who access ER budget very well, they just don't have enough funds to cope with a situation, e.g. ongoing illness, disability. Asking them to demonstrate how they have reduced costs etc would be disrespectful and counter-productive as it is likely they may disengage with services if confronted with such questions. Referring repeat ER clients to FC/FCW/NILS service can be very useful however if the client is not ready to participate in the process it can be fruitless. We need to find incentives for people to participate rather than penalties for non-participation e.g. if person has a utilities debt after say a year of successfully paying the account provide a payment to cover on months costs. Matched savings schemes are another positive incentive. We need also to have a focus on savings and affordable basic insurance as a means to help people withstand financial shocks. This would be a significant behavioural change for most clients and can be best achieved by clients working with FCW's who have the time and skills (and are dealing with clients not in crisis) to move clients to this change. FCW's also need more support and training to help them in such activities. It should be noted that FC's do play a critical role in capability and LT financial resilience building, and have for decades. There is a great demand for FC services as people have a need to access these services when a crisis hits (people in need are much more likely to access FC rather than FCW services). FC sessions, while dealing with the crisis, also provide an ideal opportunity ("teachable moments") to work on LT issues. Behavioural change usually only happens when a client trusts a caseworker (and all the good things that flow from that), because of the deep relationship that can be established between a FC and client the basis for change is there.

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ERF needs to be delivered in conjunction with both FWC & FC services so Financial issues can be investigated and action plans implemented accordingly. We cannot underestimate the impact that Mental illness has in clients seeking work. This appears to be overlooked and is a significant barrier for people securing and maintaining employment regardless of their "employability skills"

Provision of up to date and relevant information
o Linkages and referrals
o Case work provided for clients presenting with high need
o Flexibility of service delivery
o holistic and client centred approach to service delivery
o strong networking and collaborative agency approaches
o innovative approaches to providing ancillary services
o Focus on preventative programs

financial literacy workshops could be beneficial but our experience is that clients attend because they believe their benefits will be removed if they do not attend and they become disruptive and refuse to participate in the workshop

This sounds good in theory, but seems to contradict previous comments about services being restricted. Making referrals to employment services seems sensible, however we need to be mindful that for many with low LLN or English skills job prospects are limited. Unemployment is a social and systemic issue and will not be solved by forcing people to jump through hoops to access services. Many long term service users for ER are unable to work due to illness, disability or age. This client group are often the most resourceful, frugal money managers and it is the reality of cost of living on a limited income with a higher than expected bill or unexpected expense that triggers crisis and the need for ER. In principle it is ok to ask people to walk through their budget. How this is done will be the trick. DSS can better support early intervention/prevention by increasing financial capability work resources to enable greater emphasis on FCW casework, particularly with young people.

from an FC point of view - we are not trained in job capacity. FCs work from an enabling model and a wholistic approach. Often they are based in a Community setting that promotes service integration and referral. Financial Capability worker and FCs in my region are working together - referring to each other's service and external services (including Centrelink and Employment services) that would benefit client outcomes. But these outcomes vary from client to client, and must be on a case by case basis. By assuming that EVERY client on Newstart is able to return to work when they access FWC is a naive blanket approach. Many clients are on Newstart end exempt from Jobsearch for good reason. Multiple presentations: it is important to recognise that long term financial hardship exists for many in our community. e.g. Single man, 58yrs old, private rent, small town, on Newstart. Age/ill health (not ill enough for DSP) means employment prospects are almost nil. He spends 45% of his income on rent, not enough income to meet basic essentials (electricity, food, medication, car rego, fuel etc). Often goes without food or medication, multiple accesses of ER. No matter how well he budgets, or how hard he looks for work, he is stuck in a poverty cycle. Any action in prevention, early intervention and promotion of services would be welcome. .

We work with clients in Job active programs, providing support with, tafe fees, educational tools, police clearances, identification, and general support while they are job seeking. We work with budgeting and providing clients with information pamphlets.

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A brief case note could give evidence of how the ER payment is assessed to place the client in an improved circumstance. This case note can be revisited with client if/when they represent for further support.

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I have many genuine clients doing all they can to access work. One of the frustrations remains the wait time between loosing a job and being eligible for employment services. After weeks without success this support comes once confidence is in a steady decline putting mental health at risk. Offer the support as soon as the person is unemployed.

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Financial counselling services work with a diverse range of individuals and families with a diverse range of support needs. RE: multiple occasions of Emergency Relief It would be difficult to require clients to demonstrate that they have taken reasonable steps to address their management of income and expenses. Many clients are 'not yet ready' or too intimidated and ashamed to disclose why they may be experiencing financial difficulties i.e family violence, substance addition, problem gambling behavior - by compelling people to demonstrate their steps to better manage their finances - as in the past we place these people at great risk of covering up the actual reasons why households are not managing - and not seeking any assistance. Multiple occasions of ER may be attributed to many reasons - unforeseen circumstances, inadequate income, illness - preventive education will not address.

QUESTION 4 – WORKFORCE (14 responses)

DSS is funding national organisations to deliver co-ordinated training and development. The grants cover:

- the development and implementation of a national training strategy including support in management complex clients such as those experiencing domestic and family violence, problem gambling and chronic unemployment
- facilitating sharing of best practice among providers
- development and implementation of a workforce strategy which works closely with service providers to build the capacity of their organisations to deliver high quality services, work towards addressing issues of attracting and retaining staff to the sector, and improves the ability of the sector to respond to funding changes
- development and maintenance of effective relationships with the Australian Government, State and Territory Governments and other key sector bodies and workers
- the development of tools and resources for both financial counsellors and financial capability workers that focus on employment readiness for unemployed clients to help assist them with the financial aspects of transitioning to work
- working towards a distinct focus on early intervention and prevention role for financial capability workers

- the development and distribution of an operations guidelines kit for ER providers.

Consultation sub-questions cover: do workers need to build capacity and if so, how and what "tools" do you see as integral to the development of FWC services?

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Ongoing training and compulsory professional development is essential for financial counsellors to retain their skills and knowledge to do their jobs competently it is important that they are up to date with social issues impacting their clients for example domestic violence, newly arrived asylum seeker work rights etc.... By keeping professional development of 20 hours (NSW) compulsory.

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National training is great as this reduces the burden on individual agencies. However, time and effort need to go into recognising and tailoring information and training which is suitable for each state/territory, and the different 'areas' within this that have their own dynamic and approach depending on the client need. Generation of tools and up to date materials is helpful, most agencies don't have a lot of time to develop materials.

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It looks like the federal government just want financial counsellors to get people into jobs. We do the opposite where we work with people who have lost their jobs or can't work for many different reasons.... I don't know what to say. Strong workforce - the national standards and new diploma and guidance of the FCA plays a big part in this.

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Workers always need access to good quality training and professional development. Resourcing for this needs to be built into service agreements so that employers have funds available to allow staff to access training opportunities. To be a financial counsellor requires a minimum qualification of a Diploma of Financial Counselling. How will the coordinated training model work with this requirement. Will national organisations be RTOs so that the training that is delivered can count toward existing qualifications? Access to webinars and other PD using technology will make it more accessible to the sector. Its important that the sector are involved in determining what training is needed and how it is provided. In the financial counselling sector this is something that should be discussed with FCA

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Yes, workers do need to build capacity. Financial counsellors lack skill in case planning and management and effective counselling skills. There is not enough time spent or emphasis on the "counselling" part of their training. Those I have seen are able to follow what is essentially a list of financial tasks and onward referrals, but many do not seem to have the ability to conceptualise a more nuanced, long-term case/support plan and the steps this might involve. This is a problem when the FC might be the first point of contact or in a remote

area where there are not many services and the financial counsellor might need to take on a greater role than they would in the city. I know the argument usually made is that FCs are not counsellors. But in an increasingly complex world with increasingly complex clients, high level counselling skills can make the difference between someone engaging and getting the right help or not. I don't believe the sector can continue to credibly make this argument; as a manager I see that workers who are less able to grasp highly complex human dynamics are less effective in the results they get. Perhaps financial counselling should be a specialist stream of a social work or counselling qualification, rather than the counselling being the minority focus of the financial counselling diploma. Further, the short-term funding arrangements do not assist with attracting people to the sector or retaining them - particularly when trying to recruit people remotely. This in turn impacts on the delivery of high quality services. By the time you get someone on board and they hit their straps, you're often facing another funding round. Lastly, as an employer, I've had some pretty disappointing experiences of recruiting/employing FCs - ranging from the extreme of people who thought it was appropriate to send me applications with a photo of them in front of a bottle of wine and several empty glasses and staff who have thrown objects across offices at colleagues, to just observing that many of the people I've interacted with lack of level of self-awareness or "sophistication" in their professional skill. I know there are moves afoot to raise the level of professionalism in the sector, and I know it will take time. But it is greatly needed.

Regarding building capacity of financial capability workers, there was a program previously funded by FAHCSIA to support the training and development of financial capability (or what were then money management) workers. This program ran over a number of years; there must have been learnings and expertise developed during this time. Is this just being discarded and we are now reinventing the wheel with new providers? Why is there no attempt to work with, share or build on the results or knowledge achieved in that program? Further, in relation to the large number of financial capability workers that are Aboriginal; developing their capacity and a focus on early intervention and prevention will not simply result from training them in financial capability content knowledge. In remote areas, workers require huge amounts of basic literacy and numeracy support which is expensive and time consuming. Materials have to be locally contextualised to be comprehensible and often translated from standard English to simple or Aboriginal English. Training to reach a level of basic competence takes much longer than in an urban centre, and there is simply not the pool of workers with an adequate starting base level of skill to draw upon to step straight into these roles. This is not recognised in funding allocations or contract timelines to get people through training. But utilising local workers to get key messages out is essential to program success (even if hard to achieve), so not employing locally is not an option. Accessing standardised training centrally (away from community) will be appropriate for some things, but there needs to be a feedback loop with the employer to ensure that the workers are competent and able to competently deploying the skills in their workplace. There must also be an ability for organisations employing Aboriginal staff to determine what other/additional training needs their staff have, and to have a percentage of funding given to procure this. Capacity to access local, face to face tailored training must be maintained - requiring people to travel long distances for training, having to undertake lots of things online or one size fits all training will limit the ability to successfully employ remote people as financial capability workers. Another issue not addressed in relation to employing Aboriginal staff in these roles is the amount of trauma those workers carry, and the stress they face working in their own communities. To undertake early intervention and prevention effectively, they not only have to overcome literacy and numeracy challenges. They also need to be able to effectively have conversations with people about what can be quite sensitive and difficult subjects - and the clients are often very damaged. This is a huge ask of workers who may have limited professional or community services experience - and who often have their own experiences of trauma and stress as well as pressure of working in small communities. This trauma needs to be addressed with the workers in order to give them an awareness of the impact the job may have on them; to give them strategies to deal with and overcome this trauma in order to move on and be effective workers with clients and not be scared off the job as soon as it veers into sensitive territory. Sophisticated support - which goes beyond just "self care" sessions for workers or certificate level units of competence - would go a long way towards supporting retention and effectiveness of Aboriginal workers in the sector. The government could

refer to some of the work that is being done in relation to the neurobiology of trauma or narrative therapy approaches in working with Aboriginal people, and explore funding providers that could develop an approach to working with Aboriginal FCWs specifically on this issue. (Actually, having non-aboriginal workers do something like this would also help them be more effective with Aboriginal clients.) We currently make a "clinical supervisor" available to our Aboriginal staff, because this is the best we can come up with. But it is not enough and not the right approach. In terms of FCW tools around content, I think there is tonnes of stuff out there - MoneySmart, MoneyBusiness, MyMoola, Saver Plus, many other programs and surely services have developed stuff in house as well. Let's not keep reinventing the wheel - let's effectively collect what's out there in one well-recognised repository that everybody refers to.



The FC sector has developed a long way and has now clear and reasonable professional requirements. The microfinance, FCW and ER areas need to also develop and maintain professional standards. Including the FCW role within the FC sector and professional bodies would be much more efficient than establishing a separate profession. The two roles are different but strongly linked. Having them under the same professional umbrella also makes a career and study path quite visible and realistic. There would also be value in including microfinance workers under the same professional umbrella. Having a designated membership category within FC professional bodies is important to ensure ongoing PD and casework supervision. Any requirements brought in needs to be readily accessible and funded and phased in to avoid stress to caseworkers. Quality online training options are important to achieve accessibility and cost efficiencies.



As the role of both FWC and FC's is so broad ongoing skills development is essential and includes such areas as: Suicide Training, Mental Health First Aid, Gambling Training, Dealing with addictions and domestic violence training.



- In Victoria the peak body for CFC/FC workers require a certain standard and number of Personal Development units are accomplished each year as well as regular professional supervision. Consequently the capacity building of this group is well covered.
- For ER workers however the same is not available due to funding restrictions. Within our organisation and our consortium partners, the provision of professional supervision to employed workers is provided, training opportunities are provided and a budget for professional development is set aside.
- However, the larger percentage of ER workers nationally are volunteers and funding for training, supervision, support and professional development is essential for this group to build capacity.



Access to schools to discuss budgets, mobile phone contracts ,etc from year 9 would be a great partnership Family intervention to introduce discussion about money and budgeting marketing and promotion of NDH nationally



I would welcome any additional tools and resources. There is little useful material for transitioning finances when employment is obtained. It would also be useful to develop materials on the roles of financial counsellors and FCW's to be used with other sectors so assist them to understand what we do. An operations guidelines kit for ER providers would assist with consistency of approach to the distribution of ER, however should not be so prescriptive that it restricts client access unnecessarily. Workforce capacity could be enhanced with further training, as would further Government investment in funding service delivery to better meet community need and prevent burnout in the workforce. Retaining good people is about paying them a living wage and having manageable workloads.

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Tools for FC in relation to work readiness: FCs have very demanding workloads already in providing information and options to clients - most of whom are in very complex financial and personal circumstances. They need to keep up to date with a huge range of legislation, Industry codes, regulations, strategies, and more to provide an up to date and professional service. To expect them to take the role of assisting for job readiness (aren't' Employment Services and centrelink trained and funded to do this?) adds to their role, and detracts from recognising their specialist paralegal role. Please note that FCs would already be discussing options for increasing income as an integral part of their role - including all financial ramifications of one type of work over another. FCs are NOT financial case managers. we provide information, options and advocacy. We must also be careful to maintain the FC roles as confidential and independent. The Financial capability program is ideal for early intervention - and this is why limiting it to those already in receipt of benefits does not seem to fit with the goals of prevention at all. Once again, FCS and Fin Capability programs make economic sense. The stress of financial difficulty has a huge impact on mental and physical health.

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A kit to provide guidelines for ER providers is long over due as we have been told to have our own criteria. This is different amongst agencies and can cause confusion and distress to clients when they have to be accountable to some agencies but not all. We provide brokerage and support to agencies with out ER funding or limited funding. This works well to prevent homelessness.

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Combat the societal shift from have now pay later to if you cant afford it you don't get it. We need more education and focus on how expensive credit is. How much people can save in interest and fees if they wait and save. I have people coming in all the time who are shocked at the small paragraph on their credit card statement showing them how long they will be paying at the minimum instalments. There is so much information all the time on big shiny things at great rates. We need to come back with the benefits of waiting and saving for things. This needs to occur from primary school to retirement home. I see so many cases where people can manage fine if they don't have the multiple credit repayments.

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Yes - workers do need to build capacity to address a range of issues impacting the financial circumstances of individuals and families. Emergency Relief is a difficult service to administer - clients often present at risk i.e no baby formula, no food, no school lunches because rent and utilities and clothing expenses cannot be adequately budgeted for and/or unforeseen expenses. Emergency Relief Agencies across Australia would welcome an ER assessment tool kit - would be interesting to develop and administer.

QUESTION 5 – EVALUATION (15 responses)

DSS recognise that it is the joint responsibility of the Australian Government and the sector to build the evidence base and in a time of tightening budgets it is essential to demonstrate the impact of our services, at the same time establishing a compelling case for continuing investment in FWC services.

Consultation sub-questions cover: what are the issues in evaluating FWC activities and what should be the main focus of the evaluation?

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Did financial counselling relieve the financial stress? • Did financial counselling empower the client long term? • Where they able to deal with new financial issues? • Would they seek help again?

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The main issues that we see is how to get in contact with clients once they have left the service - many clients change address and phone number, or simply don't answer the call. This means that getting any long term data from them about the impact of the service is difficult. Short term data (eg, while they are still receiving the service) may be easier to get, but is not really able to determine the outcome of the service. Evaluation of services is time consuming, and can be costly, depending on the requirements and subsequent changes in databases etc. However, a consistent approach to data collection, and a focus on the impact of the service is important. The value of a service is not just 'how many people' but 'how well' the service was provided.

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Client focussed outcomes Cost benefit ratio

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Its always beneficial to have an evidence base for any program. Fully support this approach. However the issue with outcomes is determining what outcomes we want to measure and how to do this effectively. DEX is not the solution! This needs a lot more discussion with the sector

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Issues are - lack of definition of outcomes; lack of information about how DSS is measuring outcomes; lack of common data collection methods; lack of common evaluation methodologies being applied by services; do all services have access to evaluation expertise in house? Danger of applying a one size fits all measure/evaluation process in a sector wide evaluation when some services are grappling with very different dynamics to others. Consider adopting methodologies or other criteria appropriate for evaluating services types/groups of services who share common characteristics (e.g. size, regional/remote, Indigenous, refugee), rather than trying to include everyone under the one umbrella and compare things that are not alike. Main focus of the evaluation should be to develop some clear indicators about what constitutes effective service outcomes - not just from government or service perspective, but also from client perspective.

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We do need ongoing impact evaluation to be embedded in our work. The challenge is to do this in a manner that does not detract from the FC/client relationship and put any additional stress what so ever on a client. There are concerns about the proposed DSS survey process.

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Client outcomes by way of ongoing surveys.

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Since the allocation of funding under the last tender the collection of data has consumed a lot of time. It was hoped and still is, that this data will provide us with some great evidence of the services and outcomes we are achieving. But it seems like we are pouring more time into 'getting the data right' and have little time available for analysing and interpreting our data. In addition to this, it appears that there currently is no uniform way of reporting to DSS, with many different interpretations of cases and sessions. The pre and post scoring of outcomes after each session is extremely subjective, particularly when a team of volunteers are undertaking this exercise.

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issues are ability to compare like with like. As individuals situations are all different the only outcome comparable is if the client was in a better financial position, increased knowledge and skills

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Evaluation is about 2 things. Robust data collection that demonstrates complexity of client presentation and the work needed to support the client to make change; and measuring the client experience to ascertain whether their situation has improved, they have learnt skills and feel more able to cope next time. These 2 areas should be the focus of evaluation.

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from an FC point of view - our sector in recent years has recognised the need to become Professionalised. With the introduction of National FC registration (via Financial counselling Australia) and recognition of the term "financial Counsellor" via ASIC, we continue to move towards a sector that delivers quality service nation wide. In as far as measuring outcomes and proving economic benefit , studies have been done, there is no need to rely on anecdotal evidence alone. An evaluation (Dr Nicola Brackertz, Swinburne University, "I Wish I'd Known Sooner" 2012.) of financial counselling found that: 66% of clients have their financial difficulties resolved; 74% avoid legal action; 53% avoid bankruptcy; 63% improve their mental wellbeing 45% improve their physical health. 53% avoided bankruptcy. and a cost-benefit analysis of financial counselling found that each \$1 invested resulted in a \$5 return. Australian Workplace Innovation and Social Research Centre, Adelaide University, "Paying it Forward: A cost benefit analysis of the Wyatt Trust Funded Financial Counselling Services", 2014. One issue that would make evaluation very difficult is the variety of FC funders - there is no one data base.

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We need to address the underlying issue and provide adequate support to address this then the rest of presenting issues are easier to resolve. Working with a huge networking base the client can be provided with wrap around services.

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Did the intervention provide genuine assistance that placed the client in a better situation to face their future Is the client more resilient and better able to self-help into the future Is the community benefited by this client being helped in this way

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The issues are the feedback needs to come from the person accessing the service. The worker cant properly assess but give their opinion. The true measure of the success of a service is in the recipient. Getting this feedback can be difficult and I do not know how to change that difficulty.

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Income security and income levels - Housing and utilities costs have significantly increased - impacting a new co-hort of clients who are being referred to financial counselling services for a range of reasons. i.e credit over-

commitment, use of fringe loans to bugger household budgets, gambling, substance use - self medication etc. An evidence base that actually captured - lack of income to meet basic household expenses usefully inform FWC activities and broader government policy.

ANY OTHER COMMENTS (5 comments)

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Be afraid, be very afraid!!!!

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A lot more consultation is required with the sector. There seems to be a big focus on employment outcomes. It's important not to simplify an issue nor outsource employment readiness to other sectors. Whilst a significant proportion of clients receive a Centrelink Benefit this does not equate to them needing to be more job ready. NILS, financial counselling and capability programs already support people in a way that increases capacity to manage future financial issues and leads to improved overall well being, which in turn has a positive impact on employment if this is the appropriate or relevant issue for the client.

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The uncertainty of funding at both State and Federal level is a key driver of workforce instability. The constant changes and ever present threat of not having a job makes difficult work all the more challenging. I appreciate the responsibility of government to ensure that the public purse is well spent, however 1 year contracts, changing service providers and low rates of pay all combine to mean good people leave the sector and provision of quality services to community is impacted.

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Overall - a great approach !!

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The FWC Program Consultation discussion paper - is based on a range of assumptions about the role and function of Financial Counselling and Emergency Relief and alignment of the two service types. Financial Counselling prevails because the regulation of the private financial and retail sector and community education of consumer protections is not strong. It would be unwise to require financial counsellors and Emergency Relief workers to punish and penalise vulnerable service users by compelling service users to meet service use requirements i.e job search activity, demonstrate improved household budgeting.

ATTACHMENT 2 – SURVEY RESPONSES FROM FCA REPRESENTATIVE COUNCIL, POLICY ADVISORY NETWORK

REPRESENTATIVE COUNCIL, FCA POLICY ADVISORY NETWORK

QUESTION 1 – ELIGIBILITY (8 responses)

Two main changes to the FWC guidelines will be:

- ER & Commonwealth Financial Counselling (CFC) services would be restricted to those at imminent risk of not being able to pay their debts; and
- As a complement to the income support safety net, Financial Capability would be restricted towards;
 - people in receipt of an Aust Govt social welfare allowance, pension or benefit
 - people experiencing domestic and family violence, and
 - Immigrants/non-citizens.

Current situation is that all people accessing ER and/or Financial Counselling are at imminent risk of not being able to pay their debts. That is the main reason that they are accessing these services but there are many underlying reasons. Lack of money management skills is only one underlying cause for accessing ER or FC services. eg a person who has a reduction in income due to retrenchment or loss of hours due to illness or accident may be at imminent risk of not paying their debts even though they may have good money management skills. The vast majority of people accessing Financial Capability are from one or more of the three groups listed above. People who may fall outside of these groups are people casual workers especially those with erratic or seasonal work, people on Workcover; people recovering from gambling or other addiction who are earning an income. These people are more likely to benefit from financial counselling service than financial capability. What is the reason to limit access to financial capability or financial counselling? Wouldn't Australia's economy be better served by improving financial literacy of all it's citizens who require improved skills?

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Restricting access to financial counselling to only those on a Government benefit would prevent many individuals and families from accessing Financial Counselling Services. In particular those who are in casual and part time employment and are not receiving Government benefits many of whom have mortgages and due to their inconsistent incomes fall into arrears and then can be in danger of having their properties repossessed. Casual and part time workers also have more access to credit cards and personal loans which can also fall into arrears and this group of people need to be able to access financial counselling assistance.

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CFC services being restricted like this will lead to more people being at risk of repossession and bankruptcy. Fin Cap workers need to be restricted in their roles and have focused delivery.

Financial Counselling is rarely sought by anyone who is not in financial difficulty already so they are beyond being at imminent risk and have already entered into the financial crisis and help seeking phase. Financial difficulty can be experienced at any stage of the life cycle so restricting access to Financial Capability assistance means that many in the community who would willingly engage in learning more about day to day financial management, before entering into what are often unsustainable contracts is counter intuitive. Learning how to cope when things are going well and understanding that most people are only one or two paydays away from financial problems should be highlighted when considering that the average Australian has 187% debt compared to income.

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While this targeted group are at risk of ongoing financial disadvantage, many other groups may be excluded/ignored. Hardship affects many not just those identified for the changes. How will we provide assistance to those who are at significant risk, but not in the CFC identified group. This change will create a new subset of "clients in hardship" who will have no alternative than to access ER services for the first of many occasions.

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FC & ER services should be open to anybody experiencing a financial crisis. If we start excluding people we will create a whole new class of disadvantage. What about the people who aren't receiving any income? or the people who have had to stop working for a short period of time because of illness etc? I am concerned that this measure could have a significant impact on the "working poor" as they often require financial counselling assistance.

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I don't agree with this proposal at all. As a financial counsellor I would like to help people BEFORE they are in imminent risk of not being able to pay their debts. As a responsible community, let's help those without skills to educate they BEFORE there are major issues.

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Expect majority of ER and FC clients could be classed as being in imminent danger of not being able to pay their debts. Would FCs think that any of their clients would not fall into this group? I believe that the vast majority of ER clients would fall into that category.

QUESTION 2 – SERVICE INTEGRATION (7 responses)

The main changes here are:

- FWC providers would be contractually required to establish formal relationships and pathways with other FWC providers and other relevant services including Family Relationship services, JobActive providers and/or other appropriate services in their funded area;
- Expanding the number of FWC Service Delivery Hubs (agencies providing financial counselling, financial capability and no/low interest loans. Currently, Hubs operate in 29 Income Management sites primarily across WA and NT. DSS are also looking to fund additional sites across Australia, with a focus on areas of disadvantage and availability of other support services.

The consultation sub-questions cover: how to strengthen cooperation, what effects there may be from formalising relationships with other agencies, ways to better integrate microfinance, how to make a hub model work and what elements/innovation is needed to establish hubs in rural or remote areas.

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Our financial counsellors (non-DSS funded) are already working with a number of Family Relationship services and JobActive Service providers as well as a range of other service providers including Mental Health services, Housing services, community centres in key areas of disadvantage. We are open to increasing our collaborative working relationship to enable best outcomes for shared clients if we are appropriately resourced. Our organisation currently delivers microfinance through NILS and StepUP loan applications including phone applications.

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The concept of service hubs is good but this can also mean less localised services with hubs often in larger population areas. People in financial difficulties often don't have the ability to travel long distances to get the support they need.

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Potential problems with formalising relationships include: added costs in developing MOU's, the unrealistic expectations where workers believe that their clients should be prioritised, that in regional areas there may only be one, perhaps two financial counsellors in an agency and that they also undertake outreach which may be many hours from the home base. It should be noted that in regional centres there is generally a high level of cooperation (informally) between agencies. The issue of conflicts of interest also arises when agencies refer where they are working with both parties at/following relationship breakdown and then expect that another service will assist both parties. There is also the potential for conflicts of interest to arise when an org provides loans through NILS or otherwise and then is required to play the role of debt collector. This is where the

Foresters program is so good as the FWC acts as a conduit to accessing the loan but does none of the back end work.

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While this is already informally applied by most financial counselling services that employ financial counsellors and financial capability workers, ER workers, etc, the principle of contractual requirement may be hindered in regions where such a variety of services do not exist. In order to achieve success in this model, experienced staffing, IT systems, and ongoing provider support needs to be established and continued.

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I think formal relationships have their pros and cons. It can strengthen our understanding and engagement with some services but it may reduce our flexibility to choose the appropriate service for the client. It will also be a very time consuming process involving separate negotiations with each service provider. Govt agencies may be reluctant, or unable, to sign referral agreements. One of the drawbacks of hubs is that it limits the number of access points for clients. This can impact on their accessibility because of transport and finance issues. It is also important for clients to have a choice in where they seek assistance.

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As a Financial Counsellor I already create and maintain relationship with services providers. Making it contractual could have implications in relation to privacy issues. I do believe the concept of the Hubs is great. All under the same roof. Eliminate the current model of several services offering the same service in a location. Too much wasted funding at present.

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- I'd like to challenge the notion that bigger is better and that requiring services to work in partnership is more efficient. Efficiencies are found if an agency is funded to deliver a number of services themselves. However, partnership models, while providing collaboration and service linkages, are not more efficient for agencies. They require more time and administration to run (including new committees, meetings, creating and managing shared processes etc.), costing more to deliver and diverting time and resources from actual service delivery. Will agencies be paid for this? Is it coming out of the DSS funds, meaning there is less going into services, or are agencies expected to wear the extra cost themselves? While discussing integration it would be good to keep in mind that scaling things up brings additional costs.
 - Even a larger agency with multiple sites spends more time managing those sites and ensuring cohesive processes and practices. A smaller agency delivering multiple services can integrate services more easily and efficiently.
 - Regarding the proposed change to program guidelines that:
 - *FWC providers would be contractually required to establish formal relationships and referral pathways with other FWC providers and other relevant services*

including Family Relationship services, JobActive providers and/or other appropriate services in their funded areas.

- Wouldn't client consent be required for workers to contact other services that the client is using? Clients may not always consent, particularly for ER, contractual expectation would have to allow for lack of client consent.
- Collaboration with non DSS services may be difficult, especially in the case of Job Active. Some agencies have tried to form partnerships and collaborative practices with Job active providers in the past but it has proved extremely difficult. Job active workers do not always see FCW services as useful or necessary for their clients and clients often do not turn up. This type of collaboration may be difficult if it is not mandated for both services i.e. Job Active as well. Have DSS consulted with the departments who run the other services? It would be interesting to know more about how Anglicare SA are working with Job active (from the example on p.12)
- Regarding the following proposals to change program guidelines on p. 13:

A range of options are being considered to strengthen pathways to employment for those who access FWC services. These include changing program guidelines to require:

- *financial counsellors and capability workers to address work readiness and employability skills alongside financial literacy skills (this could be through referral to an appropriate employment service or providing financial literacy support to someone transitioning to or from employment);*
- *all FWC services to emphasise employment as a key goal when working with clients on Newstart Allowance, and explore pathways with clients to increase employment prospects; and*
- *clients to be provided with appropriate referrals to other services (including JobActive providers) that can strengthen their capability and stabilise their financial situation.*
- These proposals seem to suggest a lack of understanding of how employment services work. Referrals to Job active providers for those who have job search obligations are made through Centrelink only. Those obligated to look for work are already linked to a Job active provider. FCs can only refer those who do not have obligations, on a voluntary capacity. Many of those have reasons why they can't work. Unless things have changed, Job Active providers have minimal obligations to these clients and do not receive much money for providing services to them unless they are rated as highly disadvantaged. If they are not, minimal services are provided (I could check to see if things have changed). Without obligations on Job Active providers as well as funds for them this measure is not likely to make much of a difference.
- Expecting providers to convince people to volunteer for the horrifying world of employment services is a very big ask, as is expecting FCs to now have skills in work readiness.
- They are requiring employment as a key goal. What if the client does not want employment as a goal or has legitimate reasons why they can't work? Are there implications to be considered against our ethical standards for requiring certain goals? (the Department/government may not care about violating our ethical standards)

QUESTION 3 – CLIENT OUTCOMES (EMPLOYMENT) (6 responses)

Strengthening pathways to employment by requiring:

- Financial counsellors and capability workers will be required to address work readiness and employability skills (this could be through referral to an appropriate employment service or providing financial literacy support to someone in transition to or for employment);
- All FWC services to emphasise employment as a key goal when working with clients on Newstart Allowance, and explore pathways with clients to increase employment prospects; and
- clients to be provided with appropriate referrals to other services (including JobActive providers) that can strengthen their capability and stabilise their financial situation.

Enhancing stability & resilience through ER:

- Clients who present on multiple occasions within a certain timeframe would be required to demonstrate that they have taken reasonable steps to reduce their costs, increase their income or improve their financial management.

Opportunities for implementing prevention and early intervention service:

- proactive education to at risk target groups
- community promotion, better promotion of FWC services in the community; and
- co-operation with partner organisations to engage clients who are accessing non-FWC community services.

The consultation sub-questions cover: what strategies could be used to help clients improve financial/employment outcomes, how your service deals with clients who present on multiple occasions and how can DSS better support early intervention/prevention.

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FC's are not trained to assess someone's work readiness and employability skills. At present if you are on Newstart Allowance you have to engage with an employment service as part of their contract with Centrelink. If DSS require FCS to engage with employment services in order to be able to refer client if required I dont see this as a problem FC's would I hope discuss with clients the benefits of obtaining employment and how this might help with any financial difficulties the client might be experiencing. FC's should distance themselves from distributing ER

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In addressing work readiness and employability skills, is it the goal of CRC to see all FWC workers trained in employment services as well, or is it the goal to have a referral system in place with a registered employment provider? FWC workers should not assume the role of pseudo employment case workers, but rather concentrate on providing financial counselling/capability support. At some point, the role cross over between FWCs, Centrelink, JobActive providers must be demarcated. The problematic non presentation of clients referred through ER and other client services continues despite the best efforts of all services. The provision of incentives may improve this in some situations, however it is the case that demand for ER assistance continues to far outweigh the supply of material and money management services. What can be done: provision of more workers on the ground (not high level management), increased levels of ongoing funding, and quality training of these workers. Recognition that hardship still exists in the cities due to unemployment, as well as the rural, regional areas. Recognition that when there are no jobs to be filled, then no amount funding directed to reskilling or incentives will create a job for that unemployed person, regardless of how "job ready" they are.

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Inadequate income is generally the presenting problem for people who are not in employment and being another stick to beat up unemployed people I believe is outside the scope of the FWC's purview. If clients are receiving assistance from Centrelink they will already be required to have a relationship with a job active provider and will be jumping through whatever hoops are required to remain on payments. Everyone knows that working for pay is better than being on unemployment payments but we need to be very mindful that many clients have worked for many years are over 50 and that their prospects for employment are limited particularly in areas of high unemployment. The overwhelming majority of clients want to work but there are not enough jobs. Add to this if your car is repossessed and you live in a regional area with little or no public transport how are you able to access employment? In regard to ER if someone has been working and then unexpectedly loses their job, the landlord will not reduce the rent, it is difficult to break a lease let alone afford to move, the utility provider is not going to reduce the bill and you need a phone to access employment and Centrelink so that account must be paid, so the only option may be to access ER on a number of occasions. This speaks volumes about the inadequacy of the safety net in being more than a subsistence income. I am already unhappy to hear that some FC's consider food to be discretionary spending. Early intervention and prevention must take place at all phases on life, however previously if was muted in this survey that only those on Centrelink payments could access the FCW services so how does this work????

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I believe assessing work readiness and employability skills is not the domain of financial counsellors. This would require a whole new skill set and take away from the important financial work that needs to be done. It could also reduce the number of clients agencies could see due to the additional requirements. What happens if they aren't job ready? Multiple attendances for ER is something that needs to be addressed however many of the clients don't have the capacity to make the changes this papers is asking them to do. Many clients don't have the skills to do a weekly budget and stick to it. There are certainly opportunities to improve ER outcomes by referral to the appropriate service.

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Employment: Having been employed within a Job services program, I do not agree with the concept of making financial counsellors required to address work readiness at all. This is completely inappropriate. What (how much) training would be have to be completed by financial counsellors . I would look for alternative employment if this is implemented. Leave to “job readiness” to those paid to do that job! Stability: This concept is completely inappropriate- I personally have several client with intellectual disabilities and limited capacity, not to mention those suffering from trauma with limited capacity. Early intervention: already being done! No need to answer sub- questions as ANYONE that knows what services a financial counsellor provides to their clients and community on a daily basis would not need to ask this question. Teach more basic money planning and knowledge at school – start from the being...

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- Re proposal for enhancing resilience though ER on p.14. If ER is conditional on engagement with another service that often doesn't work as the client doesn't really want to be there and doesn't engage. If the requirement is that they show that they have taken some steps this gives them some control over the situation and the ability to choose how to approach it for themselves, which they can do with support. The devil will be in the details of how this is assessed and policed. There needs to be an exception for cases where there is just not enough money to cover basic expenses and even though the client is doing everything they can to manage their money they may still need ER.
- Some people will not be able to make these kinds of changes, such as those who are homeless, in FV situations have severe mental illness or disability, to name a few. There should be exceptions and the acknowledgement that if building resilience is not currently possible ER may still be vital.
- Training of ER workers/volunteers would be useful.

QUESTION 4 – WORKFORCE (6 responses)

DSS is funding national organisations to deliver co-ordinated training and development. The grants cover:

- the development and implementation of a national training strategy including support in management complex clients such as those experiencing domestic and family violence, problem gambling and chronic unemployment
- facilitating sharing of best practice among providers
- development and implementation of a workforce strategy which works closely with service providers to build the capacity of their organisations to deliver high quality services, work towards addressing issues of attracting and retaining staff to the sector, and improves the ability of the sector to respond to funding changes
- development and maintenance of effective relationships with the Australian Government, State and Territory Governments and other key sector bodies and workers

- the development of tools and resources for both financial counsellors and financial capability workers that focus on employment readiness for unemployed clients to help assist them with the financial aspects of transitioning to work
- working towards a distinct focus on early intervention and prevention role for financial capability workers
- the development and distribution of an operations guidelines kit for ER providers.

Consultation sub-questions cover: do workers need to build capacity and if so, how and what "tools" do you see as integral to the development of FWC services?

Specialised services are required for domestic violence and gambling clients. A national training strategy is a good idea with uniform standards for all financial counsellors. One of the main requirements of a workplace strategy is secure funding for longer periods than present funding models. This would ensure worker security in their positions and encourage workers to upgrade their skills whenever possible

Probably the most important concern in this regard is that all workers have appropriate qualifications BEFORE seeing clients and that there are real avenues for ensuring that adequate supervision is available and undertaken. This applies to those in isolated areas who are frequently appointed and then held out to be able to deliver the full suite of services without a good knowledge of their role and without adequate supports to learn. We need to remember that for many agencies, particularly the larger agencies, that the FWC is only a very small part of their service delivery and is often not really understood or held in high regard in the overall scheme of the organisation. I also believe that there is inadequate learning within courses for FC's and FCW's of understanding values and how our personal and organisation values impact on the interaction with the client. As a non judgemental service provider personal awareness is paramount in delivering high quality service to clients and a good insight into personal values and beliefs enables workers to better understand their unconscious bias. Organisational values also influence the interaction and need to be considered within the agency standards. I believe that quality learning in a counselling context is best done on a face to face basis with full immersion in the subject matter. Webinars and online learning are often interrupted with many distractions for participants.

This question is based on the assumption that employment will follow the capacity building. However the issue here is not about building capacity, its about firstly creating employment. The age old question of what comes first, the egg or the chicken. Historically FWC workers have always focused on building capacity, including referrals to and from employment providers.

FCA as the current organisation would have to change its focus and expand to take on these new requirements. Workers would have to build capacity in terms of understanding work ready and employability.



Again – in no way would I support financial counsellors working with their clients in relation to their job readiness. I have worked within the job services network and I do discuss employment with clients when suitable – it should not be a requirement of this job – again, I will seek other employment if this becomes a requirement.



- Financial counselling is a valuable tool for early intervention. Skilled assistance when a problem begins can solve it quickly before it escalates and other problems occur, preventing a debt spiral
- Financial counsellor waiting lists can leave people in financial difficulty sitting around for weeks increasing the risk of associated problems such as psychological distress, relationship breakdown, health problems and financial problems snowballing.
- Funding for additional financial counsellors will increase coverage, reduce wait times and go a long way towards preventing associated issues and escalating financial hardship. The difficulty that BSWAT participants are having in getting an appointment quickly demonstrates the inability of services to meet demand with the current resources. This is a good place to argue for an industry levy to increase FCs.
- Promotion of services is difficult with no money to do so, unlike our for profit competitors. The services are also very difficult to find (as the BSWAT Scheme has shown). Can govt promote them? Through paid advertising?

Strategies to support a strong workforce

- Training for ER workers, esp in financial aspects of roles would be useful. Much ER is more like social work than financial literacy
- Stronger guidelines for FCWs and how the program should work
- To address time poor families make services and workers easier to find, wait times shorter. For complex matters face to face service is needed

Training grants

- not sure what they mean in the third point, how they would achieve it. It seems like a big ask
- Maintaining effective relationships with govt is an interesting one (I wonder if one of the criteria will be, don't react badly to discussion papers?)

- It's very interesting that they're suggesting Employment readiness training, though it is not what FCs signed up to do. I'm very curious to see what it is.
- Ops guide for ER – will it be any different or more useful than previous guidelines?
- Note they're undertaking an outcome based evaluation of all FWC, not just Capability workers

QUESTION 5 – EVALUATION (6 responses)

DSS recognise that it is the joint responsibility of the Australian Government and the sector to build the evidence base and in a time of tightening budgets it is essential to demonstrate the impact of our services, at the same time establishing a compelling case for continuing investment in FWC services.

Consultation sub-questions cover: what are the issues in evaluating FWC activities and what should be the main focus of the evaluation?

Issues in evaluation; This should be more about client outcomes and not client numbers. Longer term support is more valuable to clients and will provide better long lasting solutions for clients.

Any evaluation that takes place with many of these clients is a point in time snapshot only. The best money managers are those with the least to manage as they need to balance the basics in life. How an evaluation would be undertaken without assistance from agencies is difficult to assess if all the information in the database is de-identified and would cause a major administrative workload for agencies to assist in such evaluations. Dealing with a crisis situation is seeking immediate and short term relief for clients with a plan for going forward. However circumstances change in the normal fluidity of life and therefore are the 'lessons learned' in a crisis situation translatable to future life events and is the person actually receptive to learning whilst dealing with highly emotional/traumatic events? My practice has also highlighted that the intervention of a number of case workers in an individual's life can confuse and disempower clients with often conflicting assistance being given and without proper collaboration between stakeholders and the client.

Although the past utilised client driven outcome doesn't seem to fit into the future model, it is the client and their needs that should be the main focus, evaluation reflective of the success or ongoing case work plan for each individual. The one model fits all requires reevaluation.

client's issues and impacting factors, client outcomes, truly understanding what the presenting issues are and the realistic options available, understanding the demographics of the client's local community as this will impact on employment opportunities and health outcomes etc

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I don't have enough knowledge on the topic to make comment

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Q. What would you like to see as the main focus of the evaluation?

DSS are interested in long term outcomes but as well as those, it is important to highlight positive short term outcomes from financial counselling that make such a significant difference to clients.

ANY OTHER COMMENTS (2 comments)

No

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Once again I would reiterate that those living on the 'safety net' are struggling to survive and cannot meet any unexpected events with any certainty, particularly for those receiving Allowances. There is no wriggle room within their finances to do anything other than pay for the basics. I do not believe that it is the FWC role to be involved in discussion regarding working as people frequently already feel stigmatised and marginalised by their situation and

I do not believe that it is our role to judge these individuals who have generally through no fault of their own fallen on very hard times in a casualised employment environment with all the uncertainties that this situation poses. We can continue to put band aids over the problem but we need to speak out about the inadequacy of Centrelink payments and this is a role for FCA.

ATTACHMENT 3 – SUMMARY OF PHONE LINKS

This document summarises the themes from four phone links about the DSS discussion paper. There were three phone links with agency managers (12 people in total) and one with representatives from State financial counselling associations (7 people in total).

Overall comments

- Some scepticism about this process – is it genuine consultation?
- Concerns about the tone or philosophy of the paper:
 - that people are somehow “lazy”
 - that clients are bad at money management
 - that we need to “do something to people”
 - figure 1 diagram is a very limited characterisation
- We can’t solve the problem that NewStart is inadequate. Similarly, people on low incomes are often unable to access affordable credit.
- Misses the strong links between mental health issues and the ability to manage money
- There are differences in service delivery between rural and remote services and city services that are not picked up in the paper eg ability to refer clients.
- There are specific challenges with Indigenous clients
- Paper assumes that employment is the driver of wellbeing and this may not be the case
- Language – no-one uses the term “life transition point”

1 Eligibility

Overall, many concerns were raised about restricting eligibility. These range from wanting to provide broad access as the right thing to do and having a service that is open to everybody, to practical issues about implementing restrictions. An example of a practical issue would be for services with both State and Federal funding, where there are different criteria.

- At what point would eligibility for the service be assessed?
- There is the potential to impose quite an intrusive triage process. Will the assessment will need to be worked out with the client or would clients self-identify?
- For clients with mental health issues, a financial crisis is at the end of a long line of problems and the way eligibility may need to be assessed could make the situation worse.
- It is contradictory to talk about early intervention/prevention in light of eligibility restrictions.
- If we are turning people away, where do we refer them? It could end up with referrals to other services with no eligibility issues eg housing (but where financial issues are not adequately assessed).
- People may also end up accessing for-profit debt management firms (“into the arms of MyBudget”)
- For Indigenous people, they can just struggle with everyday living, not just debts
- Does this definition address BSWAT Payment Scheme clients and victims of natural disasters

How is “imminent risk” going to be defined? (This point was raised a number of times in the phone conferences, with concerns that this could be restrictive or too narrow)

- One agency manager however said that they don’t see anyone who is not at imminent risk of being unable to pay their debts.

Not all debts are equal.

What about clients who have no income? There are clients in this category.

What about the working poor?

Financial counselling will no longer be for “all Australians”.

Clients who are sick, for example, undergoing cancer treatment, may not be at “imminent risk”, but could benefit from financial counselling.

What will happen to the community education role?

Immigrants and non-citizens – don’t receive concession cards

There does need to be a triage process

2 Hubs and Service Integration

Service integration

Why is there a need for a contractual obligation? A contractual requirement will be quite onerous. Formal MOUs are rubber stamps – they will take a lot of time and effort to set up and may in fact reduce flexibility.

- One agency however supported the requirement for formal contracts as a way of increasing accountability, reporting on referrals. If this is done well, it is not red tape.

There are already well established referral pathways between services. Many agencies meet regularly with others in their local areas to ensure coordination. Perhaps our sector is not good at reporting on referrals to funders who may not have understood this. The paper seems to be based on the erroneous assumption that people are not working together at the moment.

Is DSS going to specify which services are supposed to be part of developing MOUs and what the content should be? The needs will differ between locations.

- In rural areas, there may not be the ability to refer clients as service options can be more limited as well as transport. As an example, one agency noted they were 220 km away from a Family Relationship Centre

Having a formal agreement won’t reduce the number of people bumping around in services

Formal agreements between big providers and smaller agencies may be one-sided

What problem are we solving? “Lots of admin, not much outcome.”

There are problems with other DSS financial counselling agencies not taking referrals from the National Debt Helpline.

Integration between financial counselling and micro-finance is good.

Hubs

Some agencies say they already operate as “hubs”, but are not funded to do this. Adequate funding allowing NILS and ER would be good. Infrastructure investment is needed.

Many clients have complex needs and need casework support through a hub.

There were also concerns about whether “hubs” work ... very much depends on the model. What is the customer/client benefit? What elements are necessary for a hub to be successful? What is the definition of a hub?

3 Employment

It is not the financial counsellor’s role to see if someone is “job ready”. This is not to say however that job prospects, or referrals around employment, will not come up as part of the conversation and agencies would work with job active providers already. But the paper reads like this is a whole new body of work for a financial counsellor.

- The financial counselling role is to do their job really well, so that once financial issues are sorted, the client can focus on other things. We help free up bandwidth ... we know that people under pressure make bad decisions.
- It will be a whole new skill set to address. Addressing injuries, illness, disability and getting people into employment is quite different to the current role. Financial counsellors already have a range of skills – “how much do they expect from one person”
- Financial counsellors do talk to clients about going back to work, but there are barriers: the cost of childcare, \$ to upskill. Mental health is a huge barrier.

There is an assumption that people are poor at budgeting and if they got a job they would somehow be OK.

People on NewStart have to be connected to the Job Network already.

Job Active – feedback is that this system is not functioning as well as it should. The FWC services do not need to be responsible for employment. This is foisting a broken Job Active system onto financial counsellors. There are also barriers, for example, a job service may be 50 km away and a person can't afford the petrol to drive there. There is very little visibility of these services.

Is DSS planning on trying to measure this outcome? For example, to data match to see if clients obtain work?

Are financial counsellors going to be given access to additional training around “job readiness”?

Long term unemployed people will tell the Job Active staff whatever they need to hear in order to meet their formal obligations to attend these services.

There are some areas where there are very limited opportunities to find a job.

A person who has escaped a family violence situation with three children, is not going to want to talk about work prospects.

Emergency relief restrictions

How will this work practically?

These people need respectful case management, but ER workers are often not trained to do this.

One agency said that they will tell people who have sought ER before ...“We have to share limited resources. It may be helpful if you come back again to see a financial counsellor ...”

It would be really hard to turn a person away who needed food.

How can we change behaviours of people who use ER frequently, if we don't understand why.

People will not engage if forced to attend financial counselling.

What is a “reasonable step” to reduce/increase income if on say NewStart?

4. Workforce

Training has not been built into funding agreements, so agencies do not always provide it.

Is training to be delivered by RTOs?

There are workforce planning issues at the moment, particularly in accessing the Diploma and attracting new entrants (including young people). Part of the issue is that there is no certainty of employment. The Diploma is also more costly.

Family violence is a specialty and needs specialist training.

There are concerns about the quality of training for-profit providers.

The principle – of providing training – is supported.

The workforces/agencies are already stretched and asking agencies to take on an additional area of work is problematic. (One financial counsellor had 35 – 40 open cases, another had 79.)

We need more “communities of practice”.

5. Evidence

“None have evaluated longer term outcomes of direct interventions, including employment outcomes or improved individual or family functioning”

- What exactly are we trying to achieve for example, in a telephone financial counselling session? Or a one hour face to face appointment with some follow up? Are “employment outcomes” a reasonable outcome to achieve from these interventions?
- It is hard to match longer term outcomes and prove causality.
- What outcomes does DSS want to fund?
- Is referral to a JobActive centre an “outcome”?

The SCORE framework is based on the “expert” making an assessment, rather than the client. It would be better if there could be follow up. There is a need to move away from subjective measures. Current data doesn’t tell us much now.

- The DSS portal is no longer collecting any data about the complexity of casework.
- One client in the trial DSS survey (pre/post test) burst into tears when he saw the question about relationships (which had just broken down). There are worries this is too intrusive. We need to be aware that we are talking to highly traumatised people. Practical issues about services having to provide computer access (not able to ask clients to use their data to do the survey)

Client outcomes need to be the main focus. Evaluation should improve the quality of the service, not justify its existence.

Who would carry out any evaluation? Services or government? Evaluation needs to be done professionally.

No recognition of Salvation Army evaluation “I Wish I’d Known Sooner” or the work that FCA has done in developing an evaluation framework over the past 12 months.

The Commonwealth could work much more effectively with the States. DSS “ripped the guts out of some agencies” in the 2014 tenders. It would be better if \$\$\$ were funnelled into one source.

Survey tools/evaluation may not work in an ER setting

Different providers should be benchmarked. The “outcome star” is a good tool.

Our suggestions for change

Need more guidance and structure about how the program should be delivered. There are too many differences between services.

Need tools and resources to help financial counsellors

Triage processes more clearly defined – self help, assisted self-help and complex.

Financial capability workers – is this the best use of resources? Everyone is doing something different here. What problem is this actually addressing?

We need to improve how we measure what we do. This should include asking our clients how we could do better.

Need for a proper review of how the F2F services the telephone services work together, as well as a review overall. Does a does of \$ at a life crisis point make a difference?

We need to improve our training, share issues/lessons more effectively.

We need to recruit better and make financial counselling an appealing job.

Can we learn from financial services providers about what would make financial counselling an exceptional customer experience?

Financial counselling needs to be more integrated/coordinated with other services.

Need more collaboration between agencies.