

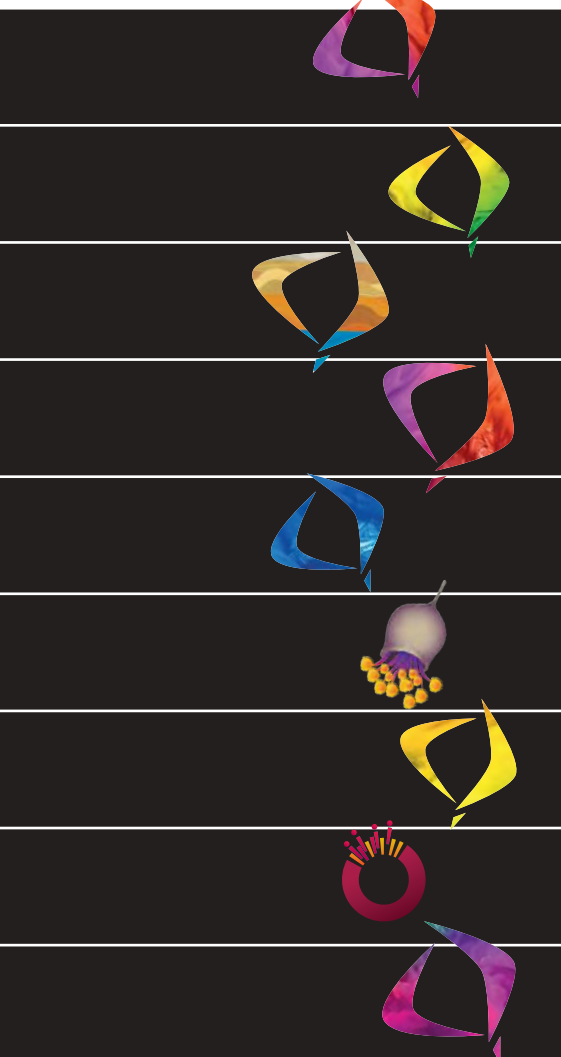


ANNUAL REPORT 16 • 17

financial
counselling
australia



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What we do

Financial Counselling Australia (FCA) is the national voice for the financial counselling profession in Australia. We provide resources and support for financial counsellors, and we advocate for people who are financially vulnerable.

Approximately 800 financial counsellors work in Australia. This is fewer than the 950 a few years ago, mainly because of various State and Federal Government funding cuts. But the work they do is vital. Through their efforts, many thousands of Australians – individuals and families – are able to get their lives back on track.

Broadly, this is what we do:

- We coordinate the national financial counselling profession, providing the tools and resources to improve standards and increase professionalism.
- We act as a communications hub, disseminating information to financial counsellors and financial capability workers across Australia and between industry, government and our sector.
- We coordinate the National Debt Helpline telephone financial counselling service and website www.ndh.org.au
- We provide specific support to the financial counselling sector for the BSWAT Payment Scheme (which assists people with impaired capacity).
- We coordinate training and professional development for the sector. We develop training packages where a national approach is needed.
- We support seven State and Territory financial counselling associations, particularly those that have no government funding.
- We raise the profile of financial counselling and promote financial literacy.
- We contribute to policy development and public debate through submissions to government inquiries, contact with decision-makers and comment in the media.
- We design and implement projects, where there is a specific policy objective and unmet need, for example, the national prison financial counselling project.
- We support financial capability workers by sharing information, providing targeted training and developing tools and resources that will help them in their roles.
- We run an annual conference that brings together people in industry, government and the financial counselling community to share learning, provide professional development and to stay abreast of new developments in the financial services marketplace.

Case studies

We have included some case studies on this page to illustrate the work that financial counsellors do. They were collected over the past year from financial counsellors around Australia and demonstrate the devastating impact of financial stress on people and families and how financial counsellors help people get back on track. While all of these stories are true, we have changed names and any identifying circumstances.

Avoiding bankruptcy

Overwhelmed by debts, John and his partner Skye contacted a for-profit budgeting service. They were distraught when told bankruptcy was their only option. They both received the disability support pension and were about to move rental properties. In such a tight market, going bankrupt would severely hurt their ability to find another property.

John sought a second opinion from a financial counsellor. John was advised that because their financial circumstances were unlikely to change, he and Skye may be eligible for debt waivers. The financial counsellor also contacted John's creditors and helped him work out a money plan to enable him to cover the couple's rent and living costs. With the financial counsellor's help, John avoided bankruptcy, found a new rental property and, most importantly, he and Skye, who were already highly vulnerable, were spared an inordinate amount of stress.

Leaving an abusive relationship

Wendy was in a financially abusive relationship. While she had very little idea about the family finances, she knew her partner had put significant debts in her name. Before she could take more concrete steps to leave the relationship, she needed not only legal advice, but information about her financial position. After contacting a legal advice line, Wendy was referred to a financial counsellor, who helped her work out what debts were in her name and carried out a detailed assessment of Wendy's finances. A family violence case worker attended Wendy's appointments to provide extra support, and then they had a meeting with a family law specialist for advice should Wendy decide to leave the relationship.

Despite her previous vulnerability, Wendy left these appointments armed with knowledge, a better ability to make informed decisions, and a feeling of support.

Family rebuilds after business failure

Nan and her husband had four children and were running a small business. They fell well behind on mortgage repayments as they tried to keep their business afloat, and amassed debts to numerous creditors. It became clear to Nan that she would have to declare bankruptcy.

To prepare for this, Nan closed her business and sold the family home before the bank moved to repossess it. Her financial

counsellor spoke to creditors to ease the emotional stress and helped Nan communicate with Centrelink and the Tax Office. The financial counsellor also noticed that Nan's mental health was deteriorating so referred her to appropriate support. He also encouraged her to see that she would find a way forward financially. With his encouragement, Nan found a job at the local hospital, one that she liked and was good at. As her confidence grew, her mental health improved markedly. The family is still together and all of them are contributing financially.

Uninsured but back on track

Ryan incurred a large debt when he was involved in an accident while driving an uninsured car. A young man with no income, Ryan was couch surfing among friends and family and had no capacity to pay such a large amount.

He rang a financial counsellor on the National Debt Helpline who advised him to contact the insurance company to explain he was seeking help from a financial counsellor. He also contacted the National Insurance Hotline.

Armed with appropriate information and helpful strategies, he was able to negotiate a lump sum payment arrangement, which was substantially less than what the insurer originally demanded. Ryan was thus able to get on with his life after learning some valuable lessons.

Joint Chair and CEO Report

This year has been the first full year of our new dual governance structure, in which a representative council supports a skills-based board. The new structure ensures decisions are made by the most appropriate body. Thank you to all the talented and knowledgeable people who lead, advise and support us through both of these bodies.



Carmel Franklin



Fiona Guthrie

The year has also been one of growth due to increased funding from the Department of Social Services and funding through an ASIC enforceable undertaking which is being used for specific projects. Our contract with the government specifies new roles and responsibilities, including coordinating training and professional development for the sector and supporting financial capability workers, including more than 50 indigenous workers.

The contrast between this year and previous years is therefore marked. From having just one staff member in 2009, to facing a complete loss of funding in late 2014 when the Federal Government made across-the-board cuts to the community sector, we now have a mix of eight part-time and full-time positions. Our office in the Queen Street “hub” in Melbourne is a hive of projects and ideas.

Our annual conference has gone from strength to strength, and now attracts ongoing support from sponsors, allowing us to fund policy and advocacy within the organisation. Governments often ask us for policy input, but until now there has been no way to fund it. Similarly, industry often asks us to contribute our expertise to their forums, so we are now better able to ensure our grassroots knowledge feeds into their processes.

We are also playing a very important role in helping people with intellectual impairments who are receiving lump sum payments to make up for past underpayments of wages. This is called the BSWAT Payment Scheme. People receiving payments of more than \$1,000 must see a financial counsellor. We are coordinating participation by financial counsellors in the scheme and providing training on working with people with impaired capacity.

The big development this year, and of which we are very proud, was the launch of the National Debt Helpline, the new brand for the telephone financial counselling service and its supporting website. The National Debt Helpline has one Australia-wide phone number (1800 007 007), and is operated by a different community agency in each State or Territory. We coordinate these services to ensure consistent delivery.

The National Debt Helpline website (www.ndh.org.au) enables people who can help themselves to do so, with step-by-step guides. People who need more assistance are encouraged to ring the National Debt Helpline. We launched the National Debt Helpline in December 2016, and it is already having a big impact with growing numbers of Australians visiting the website and ringing the service (see p.8 of this report for more details).

As FCA changes and grows however, we never lose sight of why we exist. We have a two-fold purpose. The first is to support the financial counselling profession so financial counsellors can do the best possible job for their clients. The second part of our purpose reflects the social justice roots of the financial counselling profession. And this is to advocate for a fair marketplace so that everyone can access safe and affordable financial products and are treated fairly. Sadly, there are still too many exploitative products and practices, such as payday lenders and consumer lease providers.

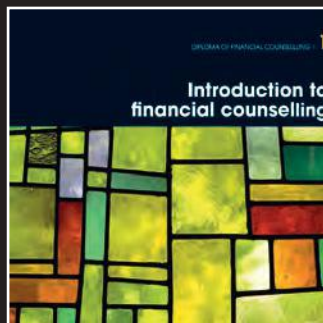
Every year, financial counsellors help many thousands of people struggling with debt and paying back credit. The better we do our job, the more effective they can be in theirs. This is how we measure our success. While there is always more to do, the financial counselling profession has come a long way. We thank the FCA Board, Representative Council and staff for their support and passion. And we thank each and every financial counsellor for continuing to make a difference.

Carmel Franklin
Chair of the Board

Fiona Guthrie
CEO

Projects

It is easy to be busy — the trick is to be busy on the right things. This section describes some of the projects we have been working on and why they are important.



Our two most important projects

Introducing the National Debt Helpline*



In December 2016, we launched the National Debt Helpline, the new name for the 1800 007 007 telephone financial counselling service and its new supporting website.

The completion and launch of the website—a huge project—was our biggest achievement of the past year. The website has simple, step-by-step guides explaining how to fix common debt problems, such as what to do if you can't pay your energy bills, internet or phone bills, mortgage, credit cards, car repairer, or payday loans. The website is designed mostly for people who are able to help themselves, if they have the right information. People who need more assistance are encouraged to ring the National Debt Helpline and speak to a financial counsellor.

[Financial Literacy Australia](#)

funded development of the website and we are very grateful for its support.

Since the launch of the website there has been a steady growth in site visits. But we still have further to go in increasing web traffic, and this will be a strong focus for 2017–18.

We continue to add content to the site to reflect relevant developments. These include

information about the BMW finance compensation scheme, under which BMW will compensate customers who were given car loans they could not afford.

The most frequently-accessed pages (after the homepage), were the Contact Us page, Centrelink-debt, Negotiate-payment-terms and Electricity-gas-and-water-bills.

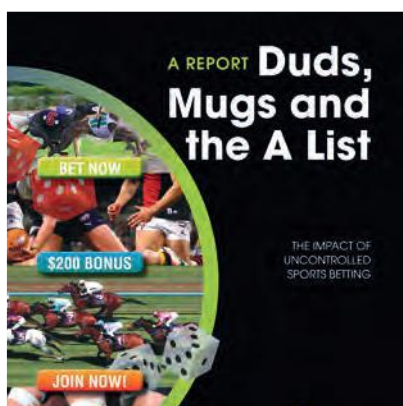
As shown in the graph on the next page, calls to the National Debt Helpline on 1800 007 007 continued to grow year-on-year, reaching a record 160,000 in 2016–17. The new branding and name for the phone financial counselling service has also resulted in more media interest and we have provided comments for a number of newspaper articles as well as ABC radio's AM and PM programs.

* The National Debt Helpline is operated by a different community agency in each State or Territory and FCA coordinates these services to ensure consistent delivery.

2016-17	162,471
2015-16	146,483
2012-13	138,337
2013-14	135,090
2014-15	96,816
2011-12	53,788

Total call volume

We helped shape reforms to online gambling laws



Since our Report [*Duds, Mugs and the A-List*](#) was released in August 2015, and following a subsequent review led by [Barry O'Farrell](#), we have worked with the Federal Government to develop a consumer protection framework for online gambling. In the past 12 months, we have been asked to contribute to many government submissions, Department of Social Service roundtables, a Senate inquiry, and to meet with politicians. This has been a time-consuming, but a very worthwhile process. We were delighted with recent Federal legislation reforming the *Interactive Gambling Act*, which prohibits gambling companies from providing credit to gamblers, bans in-play betting and provides for a national self-exclusion register.

The State and Territory Ministers responsible for gambling and the Federal Minister for Human Services, the Hon. Alan Tudge, are now developing an Online Gambling Consumer Protection Framework, and we have been involved in this.

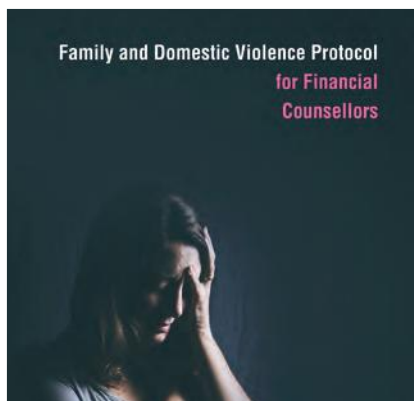
This is the first time the concept of consumer protection has been applied to gambling.

We have also met with teams from all the major banks, as the banking industry effectively finances gambling through credit cards and other forms of credit. The banks also know a lot about their customers' gambling patterns and spending, and the impact that gambling has on their financial position (for example, gamblers are much more likely to be at risk of default).

While the Federal Government funds 50 specialist problem gambling financial counsellors throughout Australia, all financial counsellors have clients who are hurt by gambling, either through their own activity or someone else's — typically a family member. We thank the many financial counsellors who continue to provide us with case studies and policy advice so we can continue our policy work and advocacy in this area.

Other projects

Domestic Violence



We are improving the sector's response to clients affected by family violence.

In November 2016, we finalised a training needs analysis for financial counsellors who help people affected by family violence. The analysis included recommendations on how training on family violence should be structured and delivered.

Three distinct themes emerged:

1. Understanding family violence and delivering trauma-informed care;
2. Meeting the needs of family violence victims as part of a holistic service response; and
3. Identifying and responding to economic abuse.

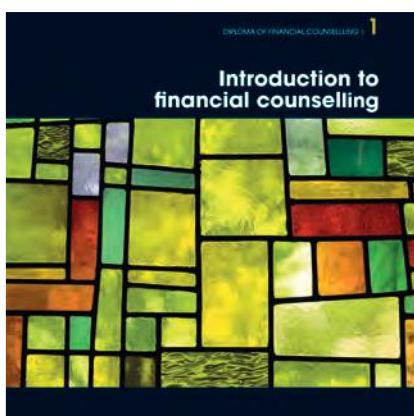
We are now developing a

training package that will be available throughout Australia in 2017–18. This will include material adapted for workers with Indigenous clients.

Delivery of the training will be partly funded through a donation from the Commonwealth Bank. This means we can help financial counsellors in rural and remote locations by covering their travel and accommodation to attend the training.

Our 2017 conference (see p. 14 below) included a plenary session on family violence. We also put together a video about family violence based on the 'You Can't Ask That' format from the popular ABC TV series. This tackled some myths about family violence and helped conference participants connect emotionally to the issue.

Diploma of Financial Counselling



We updated the four financial counselling units in the Diploma

The entry level qualification to become a financial counsellor is the Diploma of Financial Counselling which is offered by a small number of Registered Training Organisations around Australia. It is very important that graduates completing

the Diploma qualification are competent and skilled, so we have invested resources into updating the four specialist financial counselling units in the Diploma and distributed these to the relevant RTOs. By doing this we can help influence the quality and consistency of the course.



The Financial Counselling Foundation will be a vehicle for industry to make donations that can fund financial counselling casework

We are setting up a charitable trust to be called the Financial Counselling Foundation. Its purpose is to accept donations from creditors, individuals and other Foundations to fund financial counselling casework.

The charitable trust structure is designed to tackle potential issues around conflicts of interest that might arise if creditors directly funded financial counselling agencies. Initial seed funding of \$250,000 has been provided by the ANZ Bank (part of a remediation program). The Financial Counselling Foundation will be launched in December 2017.

Business Services Wage Assessment Tool (BSWAT) Payment Scheme



We helping the financial counselling sector deliver high quality services to people with impaired capacity

The Business Services Wage Assessment Tool (BSWAT) was used by Australian Disability Enterprises to calculate the wages of employees with an intellectual impairment. Some of the people whose wages had been calculated using the BSWAT started legal action against the Federal Government arguing that the tool had resulted in underpayments. An out-of-court settlement was eventually reached which included setting up the BSWAT Payment Scheme.

Under the scheme the thousands of affected people are entitled to receive one-off lump sum payments. People who receive more than \$1,000 must see a financial counsellor. FCA's contribution to the scheme has included training financial counsellors about working with clients with impaired capacity, answering

queries about the scheme and developing resources.

In the second half of this financial year there was an increase in the number of clients accessing financial counselling, and many agencies are now delivering services to BSWAT Payment Scheme participants for the first time. This caused a sharp increase in the number of enquiries and the amount of support needed.

We have developed a number of tools to help agencies to participate effectively. These include:

- Guide to conducting BSWAT Payment Scheme appointments. This step-by-step guide is designed to ensure that all necessary matters are covered;

- A Google map showing the locations of participating agencies and affected employers; and
- An internal flyer for agencies to post near reception areas and incoming phone lines so that staff know their agency is involved.

These tools have been well received and seem to be used by agencies. The Google map is also used by DSS staff to help link participants to local financial counsellors.

Debt Repayment Service



Debt Repayment Service

We are working with the banking industry to introduce a debt repayment service

On 29 January 2017, the Australian Bankers Association announced its **Better Banking** package. One of its initiatives is 'working with financial counsellors to support the setup of a new debt repayment service to help people manage multiple debts.'¹

The resulting Debt Repayment Service (DRS) has been adapted from a model used in the United Kingdom. It offers a free service for people who may have multiple creditors but are unable to pay them all. A person can make a single payment to the DRS and this is distributed pro rata to all the creditors.

The business plan for the DRS is now being developed.

1

<http://www.bankers.asn.au/media/media-releases/media-release-2016/we-hear-you-banks-announce-more-changes-to-make-banking-better>

Updating the Toolkit Website

We are launching a new and updated website with tools and resources for financial counsellors and financial capability workers

The toolkit website (www.toolkit.org.au) is a password-protected website for people working in the sector: financial counsellors, financial capability workers, agency managers and consumer credit lawyers. The website also records financial counsellors' national registration numbers and is the 'go-to' place for the tools and techniques that financial counsellors and other workers need to do their jobs every day.

In this financial year, we began the intensive process of replacing the existing site with a new one. This has involved re-drafting or writing new content for more than 70 pages, changing the site navigation (based on user testing) and adding a learning management system to facilitate online learning.

At the end of June 2017, there were 861 active users on the toolkit website, an increase of 30% in two years.

Approved creditors can also access the site to verify they are dealing with a bona fide financial counsellor, for example, by cross checking the national registration number.

National Hardship Register

By working cooperatively with the debt collection industry we are providing an option for clients with unmanageable debt.

The National Hardship Register (NHR) is an initiative of the debt collection industry, financial counsellors and Legal Aid NSW. The NHR helps people who cannot pay their debts: who have very low incomes, no assets and whose circumstances are unlikely to change. Few people are included on the register (less than 500), but it provides an appropriate and sensible response for people experiencing long-

term financial hardship. The NHR also saves financial counsellors from having to negotiate with multiple creditors.

Once a person's name is included on the NHR, debt collection activity from participating debt collectors will cease. If the debt is owned by a debt collector, it will be waived after three years.

Our involvement includes participation in NHR governance, some assessment of applications and training financial counsellors about how the scheme works.

Annual Conference



Held in May, the 2017 conference was our largest ever with 677 people travelling to the Royal Pines Resort on the Gold Coast for a multitude of events. We had a record 570 people in the two-day FCA Conference itself, an increase of 13% over the previous year. There were 41 exhibitor stands, which brought a host of creditors, ombudsmen and community sector organisations into our workspace.

making WAVES

GOLD COAST 14 – 18 MAY, 2017

The FCA conference now occupies an entire week of events. This allows us to take advantage of having so many key people in the same place at the same time. It also encourages more efficient use of travel costs. FCA covers the costs of many of the ancillary meetings, and plans and/or facilitates most of them.

The pre-post conference events can be classified into categories:

- Activities that attract continuing professional development points (important to financial counsellors who need CPD points to maintain their accreditation);
- Professionalising the sector—we bring together agency managers, National Debt Helpline managers, the Representative Council and more; and
- Aboriginal and Torres Strait Islander focus—systemic issues, building worker capacity and supporting the workers.

Conference Highlights

The conference theme was *Making Waves*. Once again we included new topics, both because of their importance, and so people could learn something new. They included:

■ **Keynote: Modern Slavery.**

This is topical as the Federal Government has recently proposed new legislation, the *Australian Modern Slavery Act*.

- Learning from the overseas experience of high cost credit markets—we brought an international authority from the UK so Australians could learn from the UK's experiences.

■ **Fair Work, Fair Pay. Exploitation. What to do?**

This was the first time that the Fair Work Ombudsman had been introduced to our sector.

- **Superannuation** This was our first national conversation with the superannuation industry. The Chair of the Superannuation Complaints Tribunal addressed our audience.

- **ATO**—another first with the ATO sharing its news with financial counsellors and having an exhibitor stand.

- **Family violence**—update on all the good work happening in industry and what our sector is doing, particularly in the area of financial violence. Moo Baulch, CEO of Domestic Violence NSW, was a keynote speaker. The Commonwealth Bank announced significant funding for financial counsellor training on family violence and scholarships for new financial counsellors (see topics 8 and 9 later in this report).

- **Online gambling**—Tristan Reed from DSS, gave an update on the new Gambling Consumer Protection Framework. Stephen Conroy, from Responsible Wagering Australia told delegates how to complain to his members and to regulators.

Exhibitors

In 2017 we had a record of 41 exhibitor stands. A huge buzz surrounded the exhibition area. Exhibitors tell us they find the experience beneficial on two levels — having conversations with financial counsellors and talking to other exhibitors. It is not often that you get all the major players involved in financial hardship gathered together in the one location.

This year we welcomed a number of new organisations including the ATO, Telstra, Optus, Fair Work Ombudsman, Red Energy and Lumo, Choice, Latitude Financial Services, Panthera Finance, Suncorp and Essentials by AAI and the Superannuation Complaints Tribunal.

Thank you to all the organisations that travelled to the Gold Coast for the conference. It involves considerable investment of time, funds and energy. We appreciate this investment as it helps all of us do better jobs when back in the workplace.





International Speaker Damon Gibbons

One of the conference keynote speakers was Damon Gibbons from the Centre for Responsible Lending in the UK, an expert on consumer protection in financial services.

Damon spoke about the problems caused by payday lenders and for-profit debt management companies.

While he was in Australia, Damon also visited the Financial Rights

Legal Centre, ASIC and Choice (Sydney); and Consumer Action, Good Shepherd Microfinance and ASIC (Melbourne).

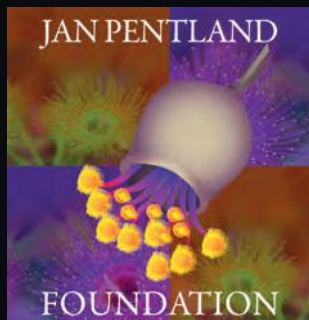




The theme for this year's SPOT talks was 'courage' and six speakers delivered courageous short format talks, with mentoring from TEDx Melbourne curator, Jon Yeo. Thanks to the sponsorship of Credit Corp we were able to film and edit these powerful talks, and share their big ideas more broadly.



The Jan Pentland Dinner

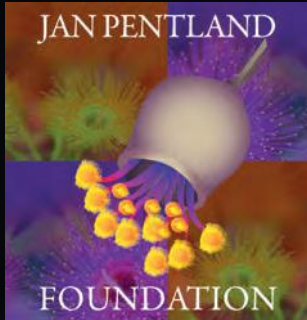


A record 450 people attended the Conference Dinner. We honoured the work of Sue Fraser from Kildonan Uniting Care, with the prestigious Jan Pentland Prize for 2017. The prize also comes with a cheque for \$1,000, courtesy of Jan's partner, David Morawetz.



The Jan Pentland Dinner

One of the winners of a scholarship this year was Nalga Ibrahim. Nalga is a refugee from Sudan. This particular scholarship was awarded to a person who will be working with refugees. Nalga's scholarship was presented by Deng Adut, the NSW Australian of the Year, who was the final keynote speaker at the conference.



Other conference events

Sunday 15th May	<ul style="list-style-type: none"> ■ EDR Yarning Circle (for financial counsellor/capability workers assisting Indigenous people) 	48 attendees: approx 40 financial capability workers and financial counsellors, plus various ombudsman and regulators (note the Ombudsman him/herself typically attends)
Monday 16th May	<ul style="list-style-type: none"> ■ Aboriginal and Torres Strait Islander Forum 	70 attendees
	<ul style="list-style-type: none"> ■ Aboriginal and Torres Strait Islander Dinner 	70 attendees
	<ul style="list-style-type: none"> ■ Twilight Forum–EDR (PD) 	136 attendees
	<ul style="list-style-type: none"> ■ Twilight Forum–Telephone Financial Counselling (PD) 	22 attendees
	<ul style="list-style-type: none"> ■ Agency Managers Forum 	45 attendees
	<ul style="list-style-type: none"> ■ National Trainers Meeting 	10 attendees
	<ul style="list-style-type: none"> ■ Registered Training Organisation Meeting 	10 attendees
Tuesday 17th May	<ul style="list-style-type: none"> ■ FCA Conference 	570 attendees
	<ul style="list-style-type: none"> ■ Jan Pentland Dinner 	450 attendees
	<ul style="list-style-type: none"> ■ National Debt Helpline managers 	10 attendees
Wednesday 18th May	FCA Conference	570 attendees
Thursday 19th May	Telephone financial counselling workshop (for 1800 007 007 workers) (full day)	37 attendees
	Financial capability training workshop	36 attendees
	FCA Representative Council	18 attendees

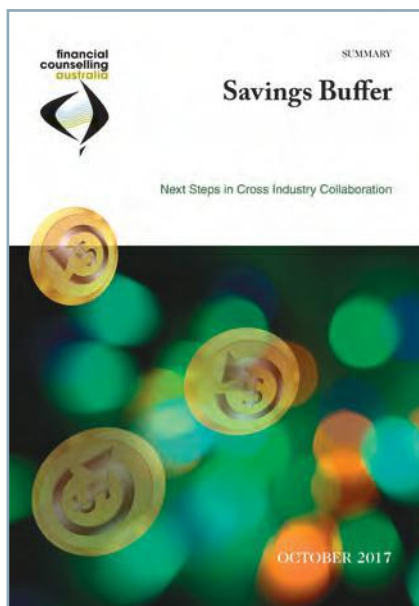
There was also a specific concurrent session at the conference: **Financial Capability: What Works.**

There was a dedicated one-day workshop for financial capability workers the day after the FCA conference on 18 May. This was run by training expert Laurie Kelly and focused on how to run a brilliant workshop. Participant evaluations were overwhelmingly positive.

ASIC's Indigenous Outreach Team also presented a session on the role of financial capability workers.

Policy Development

Financial counsellors are well placed to provide input to government and industry policy development and law reform and we are frequently asked to do this.



Everyone needs a saving buffer, including people paying down debt.

In July 2016, we released a consultation paper *Everyone Needs a Savings Buffer. Why Income and Expenditure Statements need a Default Savings Category*. The paper is available [here](#).

The paper sought to change the attitudes and approaches of creditors (and government) when dealing with people in financial hardship. At the moment, creditors expect any surplus funds that debtors have (after everyday living expenses) should be used to pay debts. However, the difficulty with that approach is that it does not take into account unforeseeable expenses. We argued that income and expenditure statements should include an allowance for people to save money for a rainy day.

We convened an invitation-only workshop in August 2016 to discuss this concept as well

as encourage cross-industry collaboration in assisting customers experiencing financial difficulty. People came from the community sector, banks, regulators, external dispute resolution schemes and government (including DSS and DHS).

The discussion was very productive. There was general agreement that savings were important and that people should be encouraged to save. Participants also recognised that some people would not be able to save anything, as their incomes were too simply too low. However, for other people who are in debt, a buffer of up to \$2,000 would be reasonable. This is the amount the ABS uses to measure financial stress.

There was also an agreement about the need for cross-industry collaboration particularly through the use of a technology portal, to make it easier for people to interact with creditors.

Financial services

Access to fair and affordable financial services would go a long way in preventing financial hardship. Hence FCA continues to be involved in initiatives to improve the marketplace.

Along with a number of consumer lawyers we visited several federal politicians in

March 2017 to talk about the need for the government to move ahead with planned changes to the legislation governing consumer leases and payday lenders.

The legislation will cap the cost of consumer leases for the first time (at 4% per month of the

base price of the goods). This reform will make a big difference—a 2015 report from ASIC found that the cost of a consumer lease could be as high as 884% per annum. Both consumer lease providers and payday lenders will also be prohibited from entering into arrangements if borrowers would be paying more

than 10% of their net income in repayments. These measures would reduce much of the harm that arises from these products.

We also contributed to the joint consumer submission about the review of the banking code of practice.

This involved attending a number of meetings to refine policy positions.

We also contributed to the joint consumer submission to the *Review of the Financial System External Dispute Resolution Framework* (the Ramsay

review). Part of our involvement included a survey of the financial counselling sector about whether a merger between the Financial Ombudsman Service and the Credit and Investments Ombudsman would be a good idea. A summary of the survey is included as Appendix 3.

ATM Fees in Indigenous Communities

We made a short submission supporting the continuation of subsidised ATMs in remote Indigenous communities

In 2010, we wrote a seminal report describing the harm caused by ATM fees to Indigenous people living in remote communities. The report received significant media attention and documented that:

- ATM fees are unavoidable in remote communities where the ATM is usually privately-owned;
- The ATM is usually the only way for people to access the banking system. Internet and phone banking are generally

not available, and stores also charge for EFT transactions;

- Financial counsellors and financial capability workers have estimated that in remote communities up to 20% of a person's income can be spent on ATM fees each fortnight; and
- One reason for this is that Indigenous people tend to check their account balances frequently. Sometimes this is because they are waiting for a Centrelink payment. In addition this may be because they withdraw smaller amounts of cash more frequently, often for budgeting reasons, or because they

lack refrigeration and food doesn't keep, or to reduce the humbugging (inappropriate requests for money) that occurs in some communities.

Following FCA's report the Australian Bankers Association obtained the ACCC's approval to enter into an arrangement that subsidises the cost of ATMs in remote communities so that there are no fees.

The current authorisation ends in November 2017. Given that the same conditions that were present in 2010 continue, FCA is supporting the ABA in its application for the continuation of the arrangement.

Bank Account Switching

Making it easier for people to change accounts would improve competition

In January 2017, the banking industry announced a number of commitments aimed at restoring public trust in its industry. One of these was to make it easier for people to change accounts.

See <http://www.betterbanking.net.au/better-products/account-switching>.

In March 2017, the Australian Bankers Association held a workshop with banks and consumer organizations. In our presentation we pointed out that one obstacle to this

reform was the difficulty in changing direct debits. These discussions are continuing.

Telco Hardship Guideline

We contributed to the review of a hardship guideline for telecommunications companies

In 2011–14, we were part of a group of consumer organisations and telecommunication companies working on best practice hardship principles.

This was facilitated by the Telecommunications Industry Ombudsman and the resulting document was launched at FCA's 2014 conference.

During the past year we helped in the review and update of this document. More generally, there

remains cause for concern over the way telecommunication companies deal with financial hardship. Some of these were described in the report [Rank the Telco](#) published in May 2017 by the Victorian Financial and Consumer Rights Council.

Centrelink Debt Collection (Robodebt)

We remain concerned about Centrelink's debt collection practices

Many financial counsellors reported seeing clients who were caught up in Centrelink's so-called robodebt collection process. FCA made a submission to the resulting Senate Inquiry established

to look into this (the *Design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System Initiative*, conducted by the Senate Community Affairs Reference Committee).

We also wrote a fact sheet explaining the options available for Centrelink clients contacted through the Robodebt process. This was challenging as it was difficult to obtain accurate advice about some of the scenarios, such as whether a person in the process of disputing a debt still needed to pay it.

Economic Abuse Reference Group

Economic abuse is a common component of family violence and something financial counsellors frequently see

We are part of the Economic Abuse Reference Group (see www.earg.org.au), an informal group of community organisations that seeks to influence government and industry about the financial impact of family violence.

Other members include family violence services, community legal services and financial counselling services.

Although the group works mainly in Victoria (where the recent Royal Commission into Family Violence made several recommendations for government and industry) it is also responding to some national issues, such as responses to family violence by the banking and insurance industries.

We provided comments on the EARG's good practice guide for industry in developing policies on family violence and government agencies to tackle the financial impact of family violence on their customers and the public, as well as the good practice guide on referrals.

Training and Professional Development

Our work coordinating the training and professional development of the sector is important in ensuring that financial counsellors and financial capability workers are well equipped to carry out their roles. This year we worked hard to ascertain the training needs of the sector and we continue to work with the states to meet these needs.

National training committee

FCA now supports a National Training Committee, which includes training managers from each State and Territory and relevant members of our

staff. This group has been an invaluable source of information and insight. Working together, we have developed a set of national requirements for Continuing

Professional Development. FCA has created and circulated a fact sheet and a short animation to explain how CPD works in the financial counselling sector.

Training needs analysis (TNA)

In January 2017 we organised a whole-day workshop with the National Training Committee. This helped inform a Training Needs Analysis which was

released in February 2017. The TNA provides a comprehensive picture of the current and future training requirements for financial counsellors and

financial capability workers. We have shared this analysis with the states, to help them design training and professional development.

Offering training

The TNA identified areas of training gaps or where more training was needed. One was in self-care. In response, FCA organised a webinar offered by a specialist mental health training provider about peer-to-peer support. We continue to facilitate legal aid commissions to offer webinars on topics with a national focus, including payday loans, external dispute resolution and consumer leases.

The TNA reflects a preference for face-to-face professional development sessions. Attendees at this year's Annual

Conference were encouraged to select from a menu of concurrent sessions, including mortgage stress, human-centered design, refugee financial counselling and credit law. We also offered additional face-to-face whole and half-day professional development session on the days before and after the conference. This had the effect of reducing the time and travel costs associated with face-to-face training.

We have taken the TNA as our guide in developing a series of online learning modules for

financial counsellors. We are developing modules on:

- comprehensive credit reporting;
- ethics;
- working with people with impaired capacity;
- debt collection;
- bankruptcy; and
- superannuation.

These modules will be available to financial counsellors on the new Toolkit website.

Working with Registered Training Organisations

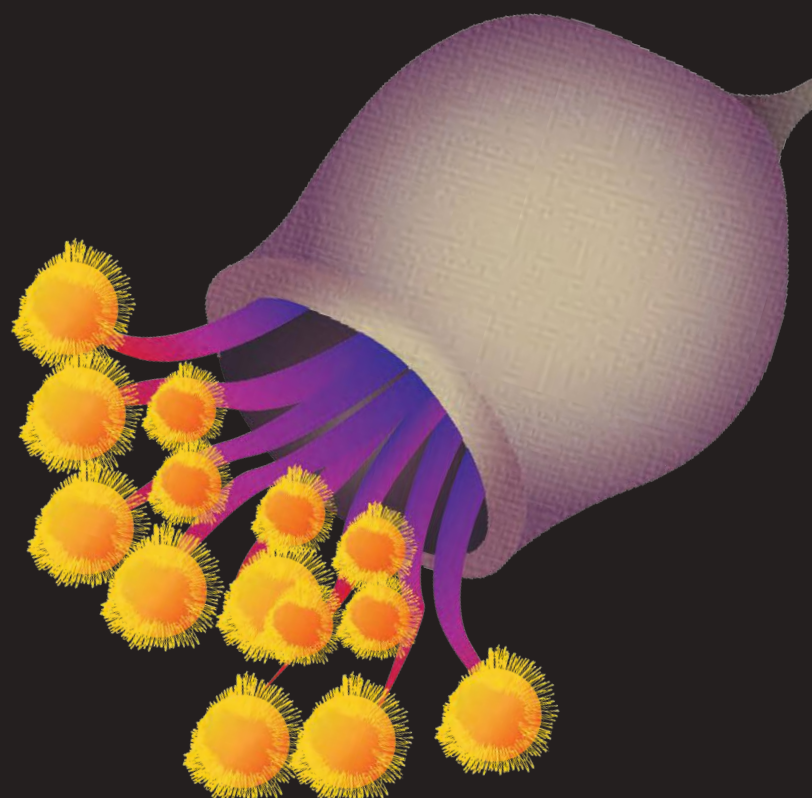
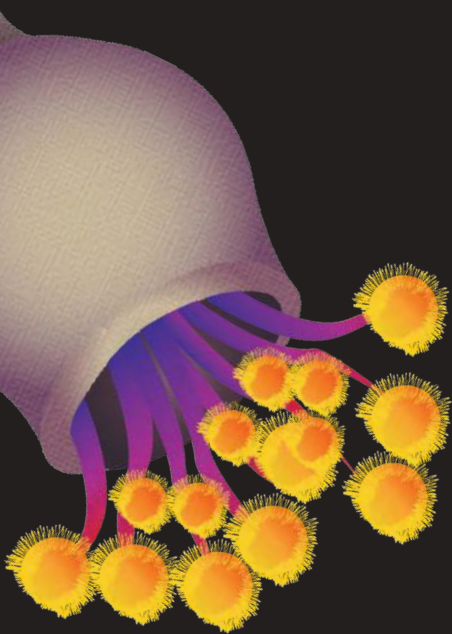
The training resources in the Toolkit will also be made available to RTOs offering the Diploma of Financial Counselling and their students. We have been developing our relationship with the six RTOs providing the diploma in a variety

of ways, including quarterly meetings and a dedicated email discussion group. Through these relationships we stay informed about the opportunities and challenges involved. It also helps us to understand how we can best support the RTOs to ensure

that the entry-level qualifications for financial counsellors are of the highest possible standard. The learning guides referred to on page 10 are one example of the ways in which FCA provides this kind of support.

Jan Pentland Foundation

FCA provides administrative support to the Jan Pentland Foundation, a charitable trust set up to provide scholarships to people studying to become financial counsellors. The Foundation is named after a former Chair of FCA, Jan Pentland. In the past, the Foundation has awarded between one and five scholarships of up to \$5,000 each, with the announcement made at the Jan Pentland Foundation annual dinner. The dinner coincides with the FCA conference.



In May 2017, the Foundation awarded 16 scholarships. This was made possible by a donation from the Commonwealth Bank which has undertaken to provide \$50,000 per annum for the next ten years. We welcome this outstanding contribution, and thank the bank for its support. Credit Corp also provided funding for one scholarship.

For more information about the Foundation see www.janpentlandfoundation.org

Scholarship recipients in 2017 are: Tracey Wagner, Nagla Ibrahim, Carolyn La, Diane Malupu, Gillian Leech, Jennifer Barclay-Smith, Joanna Garratt, Joe Perera, Karen McEwan, Leanne Garth, Nicki Millington, Olango McRoberts, Peter Puketapu, Ronna Guzman, Sarah Bardsley and Skye Hawkins.

Sarah Bardsley writes:

I was very proud to receive one of the 2017 Jan Pentland Foundation Scholarships.

I live in a small community in Gippsland, Victoria, where people are facing challenging times with the potential closure of the town's major employer, ASH Timber Mill. Many have found themselves struggling with ever-increasing bills.

In early March 2017 I began coordinating a Financial Counselling Outreach Program based at the local Community Resource Centre. I wanted people in my community to have access to financial counselling services, and I decided to make this part of my Diploma of Financial Counselling studies at RMIT.

I feel really fortunate to have found a career path that resonates strongly for me. It was only at Christmas I started to look for a meaningful career, and a friend suggested I look at financial counselling.

Working in an area that actively supports people experiencing financial challenges fits well with my moral compass and also uses my professional and life skills.

Since starting my studies I have learned that financial counsellors not only help people with their immediate financial difficulties, but also work on longer term issues, helping their clients to develop skills and build their financial resilience.

It's so rewarding to see the transition in people. When they walk in for the first time, they're stressed and often admit they've had sleepless nights. But by the end of the first meeting you can see their relief, as they realise there is someone who will listen to them to offer practical options and will help navigate a way through their debts.

As a recipient of Centrelink benefits, I know how difficult it is to survive on a limited income, and this scholarship has been a life saver by enabling me to complete my Diploma of Financial Counselling.



Sarah with the Heyfield Community Resource Centre team. (L-R) Caroline Trevorrow, Julie Bryer, Sarah Bardsley, Robyn Dunlop, Jenny Snow, Thomas Crosbie and Bec Bourke. ►

Structure and governance

On 29 June 2016 FCA changed from an incorporated association to a company limited by guarantee. There is a two-tier governance structure with a Board and a Representative Council. This is a shared-decision making model that recognises that different decisions are best made by the body with the appropriate knowledge and expertise.

Board

The board is skills-based, with three external directors (appointed by the board) and four financial counselling directors (elected by the

Representative Council). The board has overall responsibility for the financial management of the organisation, its strategic direction and legal compliance.



Carmel Franklin (Chair)

Qualifications: B.Ed., Dip. Community Services (Financial Counselling), Certificate IV Training and Assessment.

Experience: Carmel has been involved with consumer issues for many years. She is the CEO of CARE Financial Counselling Service and the Consumer Law Centre of the ACT and has worked with the organisation since 1992. She has been the Chairperson of Financial Counselling Australia (FCA) since 2009.

Carmel is also a consumer director on the board of the Financial Ombudsman Service (FOS). She is a former member of the ATO Individual Tax Liaison Group, ASIC's Consumer Advisory Panel, the FOS Consumer Liaison Group and a former director of Canberra Community Law.



Kay Dilger

Qualifications: Dip. Community Services (Welfare), Dip. Community Services (Financial Counselling), Certificate IV Training and Assessment, Advanced Diploma of Community Sector Management.

Experience: Kay came to financial counselling in 2003 after a career in retail banking. She is currently Manager of the Financial Resilience Program at South East Community Links in Springvale, Victoria. She has been on the Board of FCA since 2013, and has been Secretary of the Financial & Consumer Rights Council since 2012.



John Harte

Qualifications: B.A. (Social Sciences)

Experience: John has worked in the community sector in Western Australia for more than 25 years, including roles with services assisting migrants, people caring for dementia sufferers and child protection. He has been a financial counsellor since 1994, including 10 years coordinating a financial counselling service. He was the chair of community childcare centre for two years and was on the committee of the Financial Counselling Resource Project for 12 years. He is currently on the board of the Financial Counsellors Association of W.A.



Rosalyn Williams

Qualifications: B. Social Science (Social Welfare), Dip. Management, Dip. Community Services (Financial Counselling), Advanced Cert. Community Services (Community Development), Cert IV Training and Assessment.

Experience: Rosalyn is currently the Service Manager, Financial Health Services, Uniting Care Wesley Bowden. Previous roles have included policy development, community development, financial counselling and family support. She is also on the board of the South Australian Financial Counsellors Association and is a member of the Essential Services Policy Advisory Group for the South Australian Council of Social Service and is FCA's representative on ASIC's Consumer Advisory Panel.



Jocelyn Furlan

Qualifications: LL.B, B.Com, Dip Fin Planning

Experience: Jocelyn is a lawyer and an accountant, with more than 25 years' experience in the superannuation industry. She is a director of First State Super and Strathcona Baptist Girls Grammar School, a member of the Australian Institute of Company Directors and Chair of Superlife, a charitable community of interest for the superannuation industry.

Special responsibilities: Chair of the Finance, Audit and Risk Committee



Greg Tanzer

Qualifications: B.E, LL.B (Hons)

Experience: Greg was most recently a Commissioner at the Australian Securities and Investments Commission. Prior to this he worked as Secretary-General of the International Organisation of Securities Commissions. He has significant experience in regulation, governance and policy development.



Tony Robinson

Qualifications: B.A, M.A.

Experience: Tony is currently the Senior Manager Financial Inclusion for the Brotherhood of St Laurence. Before this he served as a Victorian MP for 13 years, including four years in Cabinet, as Minister for Consumer Affairs. Tony is also on the board of the Migrant Information Centre.

Special responsibilities: Member of the Finance, Audit and Risk Committee

Representative Council

This consists of the presidents of the State/Territory financial counselling associations, plus one nominee from each association.

The Representative Council first met in December 2016 and we expect that future face-to-face meetings will take place two or three times a year. Between meetings, its members communicate via email and phone.

The Representative Council's workplan has three main areas:

- Supervision—developing a national supervision policy (a small working group has been set up to advance this project)
- Disciplinary policy—agreeing on a standard policy for the sector (this was finalised in June 2017)
- Best practice professional standards

Australian Capital Territory		Queensland	
	Rachel Milfull Financial Counsellors ACT Chair		Jon O'Malley Financial Counsellors Association of Queensland
	Lyndall Millburn Financial Counsellors ACT Accredited financial counsellor		Jan Perkins Financial Counsellors Association of Queensland Accredited financial counsellor
New South Wales		South Australia	
	Graham Smith Financial Counsellors Association of NSW Chair		Anne Crouch South Australian Financial Counsellors Association Chair
	Sandy Sallmayer Financial Counsellors Association of NSW Accredited financial counsellor		Astra Fleetwood South Australian Financial Counsellors Association Accredited financial counsellor

Tasmania		Victoria	
	<p>Fiona Moore</p> <p>Financial Counselling Tasmania Chair</p>		<p>Julie Barrow</p> <p>Financial and Consumer Rights Council Chair</p>
	<p>Tina Johnston</p> <p>Financial Counselling Tasmania Accredited financial counsellor</p>		<p>Cathy Clark</p> <p>Financial and Consumer Rights Council Accredited financial counsellor</p>
Western Australia South Australia			
	<p>Jacqui Ecclestone</p> <p>Financial Counsellors Association of WA Chair</p>		<p>Rhonda Livingstone</p> <p>Financial Counsellors Association of WA Accredited financial counsellor</p>

Financial Capability Workers

Financial capability workers provide financial literacy and life skills education. This includes, for example, developing budgets and understanding how the banking system works and that there are alternatives to high cost credit. The aim of the role is to prevent problems in first place. Financial capability workers deliver their services to small groups or individuals. Many work closely with financial counsellors, referring them clients who need more intensive assistance with debts and are able to negotiate with creditors and provide advice.



FCA coordinates a community of practice for the 50 or so financial capability workers around Australia, a number of whom work in remote Aboriginal and Torres Strait Islander communities.

Most communication is via an email discussion group and this works well in sharing information and resources, for example about Telstra's pre-Christmas offer of free calls from public payphones.

We keep this email list up to date, together with a database of people's movement into and out of the field.

We also facilitate a similar email discussion group for team leaders and managers of financial capability services. For example, this is used to identify professional development needs of their staff which we can address at the FCA national conference. We are currently speaking with agencies around the best way to evaluate what they do.

We have also produced regular newsletters for financial capability workers, and these have been well received. In particular the section on "a day in the life of a capability worker" is very popular (see box).

Funeral insurance remains an important issue for Indigenous people and is often a major part of individual budgets.

Sadly, Indigenous people still have a lower life expectancy than non-Indigenous Australians and culturally, it is very important that a family can pay for the cost of a funeral. Unfortunately, some of the funeral products offered to Indigenous people are exploitative. We are working with Legal Aid NSW on education materials and webinars that will help financial capability workers tell their clients about how funeral insurance works and what other options are available.

New resources made available for financial capability workers include: *Top Tips for Tough Times: 52 Simple Things to Stop Spending*, *Women Talk Money*, *How to Avoid Bank Fees* and *Do Not Knock resources*. There are also links to some of the relevant resources on the ASIC MoneySmart website.

Kylie Brockenshire and Maggie Mildenhall are financial capability workers based in Broome WA.

What does your job involve?

Each fortnight we visit four remote communities: Bidyadanga (200kms south of Broome), and Djarindjin, Ardyaloon and Beagle Bay (all up the Dampier Peninsula).

In each of these we hold Happy Home Workshops which run over three days. They cover basic budgeting, prioritizing and humbugging. We also talk about kids and money, bill paying, how to shop and cook on the cheap and how to save money by making your own cleaning products. These workshops were created by Kylie.

Other activities include:

- Cooking workshops in partnership with the Cancer Council in Bidyadanga. These have led to *Palya Mayi* (good food) labels being used in the local store.
- Of course we deliver the good ole Money Business workshops 1–9²
- We also work one-on-one with clients. This involves a lot of planning, negotiating, advocating, listening, calculating, encouraging, investigating, supporting and challenging (dodgy businesses!)
- And at the moment Tax Help is taking up a bit of time!

What do you like about your jobs?

Kylie—I enjoy good outcomes as everyone would. When a client learns something new from me and enjoys the new skill, I feel like I have done something right.

Maggie—I love seeing a client set a goal and stick to it and the sense of satisfaction it gives them and me. Also, that moment when someone sees, understands or does something for the first time and says, 'Hey I'm going to tell my family about that'.

What do you need to help you do your job better?

Kylie—I want more time to be able to develop games and engagement activities to use in communities and with my clients.

Maggie—No matter how much knowledge about contracts and interest and hidden fees we give our clients, they can be susceptible to a sharp salesperson. I want to know how to stop insurance companies, payday lenders and consumer lease businesses ripping people off!

Aboriginal and Torres Strait Network



The Aboriginal and Torres Strait Islander Network is a national network of Aboriginal and Torres Strait Islander financial counsellors and financial capability workers who work cooperatively to highlight systemic issues in their communities, refer them to the appropriate regulatory body and advocate for change.

The Network has just celebrated its 10th year as a consultation and advisory group for Financial Counselling Australia.

Currently there are 147 members registered with the Network, 70 of whom attended the National Forum at the 2017 FCA Conference.

Members of this group are now talking with industry and regulators about Indigenous financial literacy.

Consultations that members have been involved with include: the Indigenous Superannuation Summit, ACCC Consumer Consultative Committee and the Indigenous Sorry Business Funeral Working Group.

Looking to the future

Our priorities for the next financial year (2017-18) are:

- rolling out face-to-face training across Australia for financial counsellors and financial capability workers to help them when assisting people affected by family violence;
- launching the revamped toolkit website, the password protected website for financial counsellors and financial capability workers that includes tools and resources to help them in their roles;
- promoting the National Debt Helpline website and telephone service so that more people in financial difficulty can access services that help them;
- playing a stronger role in the BSWAT Payment Scheme so that eligible participants can more easily locate a financial counsellor; and
- launching the Financial Counselling Foundation, a charitable trust being set up as a vehicle for donations from the public and industries that benefit from free financial counselling.

Appendices

FCA Staff



Fiona Guthrie BA, LLB, MBA CEO

Fiona became a Member (AM) in the General Division of the Order of Australia in the 2017 Queen's Birthday honours. Fiona was honoured for significant service to the community in social welfare and financial counselling roles.

Fiona's involvement with consumer advocacy and financial counselling dates back 30 years, when she was one of the first voluntary financial counsellors at Caxton Legal Centre. She helped set up the Financial Counsellors' Association of Queensland and the Centre for Credit and Consumer Law Griffith University. She was a member of the executive of the Consumers' Federation of Australia for a number of years and is on the board of Choice.



Lauren Levin

LL.B, Grad. Dip. Legal Practice, MBA, B.Eco

Director, Policy and Campaigns



Rita Battaglin

BA, Advanced Dip. Management

Project Manager



Anna Dooland

B.A, Diploma of Community Services (Financial Counselling)

Policy Advisor



Jill Keating

B. Com., CA

Accountant



Lynda Edwards

Coordinator Financial Capability



Ellie Dwyer

B.A

Policy Advisor and Sector Support



Domenique Meyrick

B. Creative Arts, Postgraduate Diploma – Arts, Postgraduate Diploma – Theology, Ph.D. – Arts

Coordinator Workforce Development



Vanessa Hood

Certificate 4, Workplace Training and Assessment, B.Sc.

Strategy and Evaluation Advisor (consultancy basis)

FCA Member organisations

FCA is a federated structure, with its members comprising the State and Territory associations in Australia as shown in the diagram below.

The South Australian financial counselling association also supports financial counsellors from the Northern Territory.



ACTIVITY REPORT

Submissions and Reports

- Independent review of the Telecommunications Industry Ombudsman, June 2017
- ACCC supporting the extension of the authorisation re ATM fees in Indigenous communities, June 2017
- ASIC re sunseting of licensing relief for financial counsellors, June 2017
- Department of Social Services, response to discussion paper about the redesign of the financial wellbeing and capability activity, May 2017
- The inquiry into the design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative (or more commonly known as “robodebt”), March 2017
- Submission to the Inquiry into Consumer Protection in the Banking, Insurance and Financial Sector, March 2017
- Submission to the Review of the Financial System Dispute Resolution Framework (Interim Report), February 2017
- Submission to the Public Inquiry on Disability Support Pension Administration (Audit Report), November 2016
- Submission to the Productivity Commission’s Report into Competition in Human Services, October 2016
- Submission to the Review of the Financial System Dispute Resolution Framework, October 2016 (joint consumer submission)
- Consultation on Expansion of FOS’ Small Business Jurisdiction September 2016 (joint consumer submission)

Representative and Consultative Bodies

FCA is represented on the following bodies:

- ASIC Consumer Advisory Panel—Roselyn Williams
- ACCC Consumer Consultative Committee—Fiona Guthrie
- ASIC External Advisory Panel—Fiona Guthrie (personal appointment)
- Australian Government Financial Literacy Board—Fiona Guthrie (personal appointment)
- Good Shepherd Microfinance—Financial Inclusion Action Plans
- Australian Bankers Association—consultative group

Presentations & Forums

- Financial and Consumer Rights Council annual conference – September 2016
- QCOSS conference – facilitation of concurrent session – September 2016
- QUT bankruptcy conference keynote – September 2016
- Financial Counsellors Association of WA – September 2016
- Chartered Accountants ANZ—panellist re corporate culture – September 2016
- Consumer Affairs Victoria – presentation of survey results re family violence (together with Catherine Wolthuizen) – September 2016
- ABA Financial Literacy Conference—panellist – October 2016
- Financial Counsellors Association of WA – October 2016

Thank you

A very sincere thanks to everyone who has worked with FCA over the past 12 months—from government, industry and regulators to consumer organisations, State/Territory financial counselling associations and financial counsellors.

Specific thanks to:

The FCA Board and FCA Representative Council

Debra Russell for advice in relation to developing the national policy on disciplinary processes (a project which is continuing)

Catherine Wolthuizen for her assistance with the family violence training needs analysis

Denis Tracy for assistance with this annual report

Our colleagues at the Consumer Action Law Centre and the Financial Rights Legal Centre where we co-locate

Our funders, the Australian Government through the Department of Social Services

We are looking forward to working with all of our stakeholders in 2018.

Financial reports

The 2016–17 financial report is available on FCA's website ([link](#)).