

FCA 2021

ANNUAL REPORT

financial
counselling
australia



Contents

Message from the Chair and CEO	1
About Us.....	3
Vision and Goals	3
Our Members.....	4
Our Board and Representative Council	4
FCA Board, as of 30 June 2021.....	5
Representative Council.....	5
Our Staff as of 30th June 2021	7
FCA's Year in Review	8
Covid Projects	10
Key Initiatives	14
Australian Taxation Office Issues – First Nations	14
Bushfire Responses	15
Buy Now Pay Later Policy Work	16
Financial Capability Workers.....	17
FCA Conference	17
The Jan Pentland Prize and Scholarships	21
Gambling Advocacy	22
National Debt Helpline Chat Service	25
Promoting Financial Counselling.....	25
Save Safe Lending Campaign.....	26
Small Business Debt Helpline	29
Sylvan Review Implementation	31
Telecommunications Industry	32
Training Financial Counsellors in the Digital World	34
Reconciliation Action Plan.....	35
Relationships	35
Respect	35
Opportunities	35
Policy input, industry and government engagement.....	36
Submissions.....	36
Appearances before parliamentary committees	36
Reports.....	37
Industry and Government Consultative Fora.....	37
Measuring up to our Goals	38
Farewell and Thank You to our Chair	42

Message from the Chair and CEO



▲ Carmel Franklin (Chair)



▲ Fiona Guthrie (CEO)

This was a year dominated by the pandemic. The financial counselling sector, like much of the Australian workforce, moved to working from home. For financial counsellors this meant delivering services by phone or video. Initially we all expected demand for financial counselling to skyrocket, given so many people were losing their jobs. In response, the Government provided a significant injection of funding to the financial counselling sector to increase the number of financial counsellors, as well as additional funding to FCA to support this expansion.

In reality, the increase in demand did not eventuate because of the significant, and very welcome, support measures from government and industry. These included doubling the rate of unemployment benefits, the introduction of JobSeeker payments, early access to superannuation, bank loan deferrals, moratoriums on electricity disconnections and so on.

What this experience did show however is that much of the financial stress we see in financial counselling is simply because people do not have enough money to live on. As the rate of JobSeeker has now reduced, albeit not to the same levels as before the pandemic, and as industry and government support unwinds, we expect demand for financial counselling to again increase. This reinforces why the financial counselling sector is keen to see progress in the industry funding model recommended by the Sylvan Review of financial counselling. This will involve the financial services industry, telcos and utilities contributing to funding and recognises that these industries benefit from financial counselling.

Social justice and systemic advocacy are core to the financial counselling role. This was highlighted this year in the Federal court case brought by the ACCC against Telstra for unconscionable conduct, resulting from the misselling of telco products to First Nations people in remote communities. This action was based directly on financial counselling casework.

There were a number of other positive developments in the financial services marketplace where the financial counselling sector played a role. One of these was the move by Westpac to introduce a savings buffer for people in financial hardship, something financial counsellors have long championed. Another was the announcement by NAB that they would stop dealing with unlicensed, fee-charging debt management firms.¹ On the gambling front, three of the big four banks have introduced self-serve gambling blocks on credit cards.

In collaboration with our members, the State and Territory financial counselling associations, a core part of FCA's role is to drive the national strategic agenda. While there are still occasional setbacks, the sector overall is going from strength to strength. We continue to professionalise, we are better known and there are more of us.

For FCA itself, this was a step-change year, where we grasped the opportunity presented by increased funding to invest in projects with longer term impacts. As outlined in this report, these included introducing chat to the National Debt Helpline, the development of the intern model, offering virtual placements to Diploma of Financial Counselling students and work on technology that has the potential to better integrate the National Debt Helpline with face-to-face services and improve the experience for clients. The increased profile of the sector is also to a large extent due to the significant investment in external communications we were able to make.

This greater remit meant we are currently a larger organisation than in the past. The sheer size and pace at which projects needed to be delivered meant that our staff handled a significant workload. FCA is only as good as the people who work for us and we are lucky to have such a dedicated and professional team. We thank them for their passion and commitment.

Our Representative Council is the key forum to discuss issues affecting the development of the financial counselling profession. They also had to adapt to virtual meetings, but did so without losing a beat. Their guidance around specific aspects of the Sylvan Review was invaluable. We are looking forward however to being able to meet face to face in 2022 and have some deeper and longer discussions about future directions.

The FCA Board oversees the governance of the organisation. The ability to tap into the experience and wisdom of Board members, as they guided the organisation through its surge in growth in a way that managed risk, was invaluable this year.

We thank the Federal Government, through the Department of Social Services for ongoing grant funding, and for the trust placed in us in relation to the additional funding to respond to the coronavirus pandemic and the bushfires. We also thank the Department of Industry which manages the grant for the Small Business Bushfire Financial Counselling Support Line and Treasury which oversees this.

Finally, Carmel's term on the board is coming to a close. It is a bittersweet time for both of us as we have worked together so closely for so many years. But we also know that whoever takes the reins next will be just as committed and passionate.

This past 12 months has been an extraordinary one. We hope that the next 12 months may be slightly less intense.

1

..... This was later overtaken by legislative reform, but was a key step.

About Us

We are the national voice of the financial counselling profession in Australia. We provide resources and support to the financial counselling sector and advocate for people who are financially vulnerable. We are a not-for-profit organisation.

Our purpose, in collaboration with the State and Territory financial counselling associations, is to:

- be the national voice for the financial counselling profession
- drive the national strategic agenda
- provide support and resources for the financial counselling and capability sectors
- advocate for systemic changes that will end financial hardship
- encourage the community to access financial counselling services

Vision and Goals

Our vision is an Australia with fewer people in financial hardship.

Ultimately, we want the community to see access to financial counselling as important as access to mental health services. In particular, we want to normalise the process of talking about financial issues and seeking help from a financial counsellor. Financial and mental health are intrinsically linked, and we want to break down any taboos about financial hardship and stress.

Our Members

Our members include all State and Territory financial counselling associations, representing approximately 950 financial counsellors. We also provide support and resources to over 80 financial capability workers.

Together, financial counsellors and capability workers assist hundreds of thousands of Australians to overcome existing financial difficulties and minimise future problems.



Our Board and Representative Council

FCA is governed by a Board and Representative Council. The Board has overall responsibility for FCA's financial management, legal compliance and strategic direction. The Council considers issues that affect the members of the financial counselling profession, particularly those requiring a national approach.

The Board comprises four directors from the financial counselling sector and three external directors, appointed by the Board based on their skills, background and expertise. Financial counselling directors must be accredited financial counsellors and are elected by the Representative Council.

The Representative Council is made up of 14 voting members and three non-voting members. The voting members are the Chairs of the seven State/Territory financial counselling associations, plus one additional financial counsellor from each association. The three non-voting members are FCA's Chair (who also chairs the Council), FCA's CEO and one other FCA Board member (a role shared between the Board). A financial counsellor from the Northern Territory attends on an ex officio basis.

FCA Board, as of 30 June 2021



Representative Council

The Representative Council usually meets face to face three times per year, with virtual meetings in between times. This rhythm was disrupted during covid, but we did manage to hold one face to face meeting which was in May 2021 coinciding with the FCA conference in Darwin. The other five meetings of the Council were held by zoom. Key topics discussed by the Council were:

- Progress on implementation of the Sylvan Review (a significant focus)
- Hotel quarantine debts
- Membership and accreditation standards (still under review), national supervision policy (this was finalised)
- Small business financial counselling
- Creditor liaison
- Safe Save Lending campaign
- Policy input – proposal to reduce bankruptcy from 3 years to 12 months (the government does not appear to be pursuing this), income management
- Referral protocols (this is still a work in progress)

Representative Council voting members at 30 June 21

Northern Territory



Kelly Gulliver (ex officio),
Accredited financial counsellor

Financial Counsellors ACT



Nicole Flaws
President



Deb Shroot
Accredited financial counsellor

Financial Counsellors Association of Queensland



Vicki Penner
President



Jan Perkins
Accredited financial counsellor

South Australian Financial Counselling Association



Carolyn Piper
Chair



Juliet Sheppard
Accredited financial counsellor

Financial Counsellors Association of WA

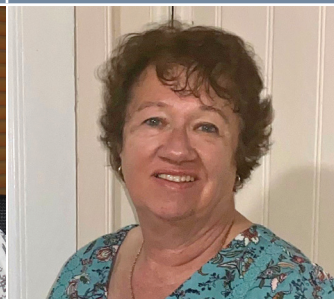


Wendy Black
President



Clarissa Harp
Accredited financial counsellor

Financial Counsellors Association of NSW



Pauline Smith
President



Rob Benton
Accredited financial counsellor

Financial Counsellors Association of Tasmania



Fiona Moore
Chair



Danielle Slade
Accredited financial counsellor

Financial Counselling Victoria



Carly Baker
President



David Balcombe
Accredited financial counsellor

Our Staff as of 30th June 2021

- Maura Angle – Director Community Engagement
- Julie Barrow – Coordinator Financial Counselling Development
- Rita Battaglin – General Manager Projects
- Lynda Edwards – Coordinator Financial Capability
- Peter Gartlan – Coordinator Bushfire Recovery
- Belinda Gelbart – Conference Coordinator
- Mel Gibson – Chief Technical Officer
- Fiona Guthrie – Chief Executive Officer
- Vanessa Hood – Director Research and Evaluation
- Tamara How – Office Coordinator
- James Hunt – Campaigns Lead
- Jill Keating – Finance Manager
- Georgia Lenton-Williams – Communications Advisor
- Lauren Levin – Director Policy and Campaigns
- Dominique Meyrick – Director of Development
- Jenny Peachey – Strategic Project Advisor
- Lody Stewart – Financial Counselling Subject Matter Expert

We also thank Kat Lane, Karyn Schluter-White, Clarissa Gamble, Debra Russell, Marcus Greville and Zachary Wildy for their assistance either on a consultancy basis or as staff members at various times through the year. Their work was absolutely invaluable.

The virtual financial counselling agency we built to offer simulated placements to students completing their Diploma of Financial Counselling benefited from the input of a very special group of financial counsellors who worked as mentors. They were: Kate Rich, Julie Barrow, Mark Phillips, Gerry Phillips, Rachna Bowman, Irena Higgs, Juliet Shephard, Tracy Cusack, Annette Lumsden, Sonya Paetow and Cheryl Buttigieg.

The Small Business Debt Helpline staff currently employed are: Kathleen Bel-Bachir, Karen Bird, Sandra Blake, Brian Browne, Megan Butcher, Anthony Cross, Nicholas Georgiou, Paul Gillett, Peter Harris, Robyn Harris, Ryan McIlveen, Jeremy McNally, Dianne Moon, Polly Pemberton, Scott Robinson, Nicole Taylor and Nicky Tsalamandris. Helen Davis is the General Manager of the service.

FCA's Year in Review

In March 2020, in response to the pandemic, the Federal Government provided a significant injection of funding to the financial counselling sector to increase the number of financial counsellors as well as to FCA to support this expansion. For FCA's part we used this funding for our suite of "covid projects" and it was the design and delivery of these that dominated much of 2020–21. There is more detail about each these projects in a separate section of this report. Taken as a whole, these projects have left the sector in a stronger position, with a bigger pool of trained financial counsellors, more resources, a higher profile and a better understanding of how we can use technology to improve client interactions.

Covid meant that many financial counsellors were working from home, and depending on where they lived, sometimes for significant periods. In collaboration with the State and Territory financial counselling associations, much of our work also involved supporting the sector, for example through specific training. It was also important that financial counsellors were on top of the latest initiatives from government and industry in relation to covid, so we needed to make sure that information was disseminated quickly and that financial counsellors were up to date. The special website for financial counsellors – www.covid19fc.org.au was an important resource.²

It is hard to capture the full intensity of some parts of the pandemic period, but there were many days filled with back-to-back virtual meetings, either externally or internally. FCA staff met regularly with industry peak bodies, individual banks and other creditors, the Australian Financial Complaints Authority, regulators and government as well as various groups within our own sector. The purpose was to share information and ensure that we coordinated our efforts. It would be good to see the cooperative, problem-solving approach that was evident in all of these engagements continue in the future.

While covid dominated the headlines, there were still many communities recovering from the bushfires of 2019 – 20. We continued our work in coordinating the financial counselling agencies delivering services in these areas. The knowledge gained from this work was shared with the sector and will inform responses to future disasters.

We also continued our work in coordinating the financial counselling agencies that operate the National Debt Helpline in each State/Territory. Again, during the height of the pandemic we needed to be in touch more regularly, and for quite a few months met on a weekly basis.

We did not lose sight of the bigger strategic issues and progressing the Sylvan review of financial counselling, and the introduction of industry funding, continued to be a priority.

Financial counsellors are seeing more and more small businesses and this was also a focus. For example, we provided online training about small business basics, developed resources for the FCA toolkit website (a password protected website for financial counsellors) and made substantial progress with the Small Business Handbook.

To a large extent, the Small Business Debt Helpline operates autonomously, reflecting the dynamics of the service. The expertise within the Helpline however underpinned much of what we were able to do more broadly for the sector as a whole.

It was exciting to be able to run the FCA conference, this year in Darwin. This is always a huge investment of organisational time and resources, but more worthwhile than ever this year, given it was cancelled in 2020. Coming together was such a fillip.

The pandemic has also taught us that we don't all need to be in the same city to work together effectively, and at the end of the year, when including the Small Business Debt Helpline, we had staff located in every part of Australia apart from the ACT, Tasmania and the Northern Territory. The majority of FCA staff however are located in Melbourne and apart from a few short weeks, spent most of the time in lockdown and working remotely. That they did this without skipping a beat and delivered so much is a testament to their commitment.

Reflecting the additional work associated with the projects above, we finished the year a bigger organisation than in the past. It was an extraordinarily busy year, but we are very proud of what we have achieved.

Covid Projects

We received a substantial injection of one-off funding from the Federal Government to respond to the coronavirus pandemic. The funding was invested in projects that will leave a lasting legacy for both the financial counselling sector and the Australian community. The overall strategy for the Covid projects is in the diagram below.

Overview of the strategy

What are the issues?

- Large numbers of Australians are under significant financial pressure
- Many of this group have never accessed financial counselling before (and won't know about it) but would benefit from it
- Not enough financial counsellors to service likely demand
- Current service delivery needs to move to phone/video and quickly. Local referrals may be less likely.
- Risks that people will make poor decisions, eg payday loans, access super when they had better options

The model (and what we want to achieve)

A Clear Entry Point

- National Debt Helpline is gateway to financial counselling
- Assists as many people as possible, refers other for more intensive support to tele-financial counselling

Tele-financial counselling case workers

- Previously face-to-face services
- Telephone/video

Capability to deliver

- More financial counsellors
- Well trained and supported

More efficient sector

- Use technology better
- New referral pathways (in and out)

Industry hardship responses*

- Banks, finance coys, utilities, telcos treat people fairly

*FCA will manage and fund this work from its own resources.

How we will do it

Promotion of NDH/Financial Counselling

- Use social media, print media, radio, website optimisation and so on

NDH

- Increased staffing
- Improved technology
- Up-to-date information

Tele-financial counselling

- Increased staffing
- Improved technology
- Up-to-date information

More financial counsellors

- Train a new workforce "on the job"
- Help students complete their Diploma via simulated placements
- Encourage return to workforce from experienced financial counsellors

Training and support

- State associations to support new financial counsellors and agencies
- Training relevant to changes in role, clients eg telephone skills, mental health issues

Resources

- New website kept up to date information for the sector about industry/government covid responses
- Monitoring and responding to emerging issues faced by the sector

Technology

- Appointment availability system for referrals from NDH to face to face services
- Chat functionality for NDH




Industry hardship responses*

- FCA will monitor issues and raise concerns with companies, sectors and/or regulators



Overview of the Covid Projects

Figures in this section are for 30 June 2021.



Increasing the number of financial counsellors

	Project description	Outputs
	Intern project – one off funding for agencies to employ students studying the Diploma of Financial Counselling so they can learn on the job.	90 interns across 57 agencies. 70% of interns and 80% of mentors rated the overall intern program as “very good” or “good” and 66% of interns felt they were learning “many new skills”.
	Upskilling – funding for agencies for existing staff to become qualified financial counsellors.	60 people participating across 32 agencies.
	Simulated placements – we built an online financial counselling agency called Steps, so that students unable to access a face-to-face placement to complete their Diploma of Financial Counselling could do so virtually.	44 students completed in Feb 2021, 43 in April 2021 and 37 in July 2021.



Using technology to increase access and efficiency

	Project description	Outputs
	Chat – we ran a successful pilot of chat on the National Debt Helpline (ACT, Uniting NSW, WA and the Small Business Debt Helpline) that meant there was an additional channel for people to contact a financial counsellor.	Numbers of chats received grew across the pilot. Some of these chats then translate into calls.
	Appointment availability – the aim is to better integrate the phone financial counselling service (the National Debt Helpline) with the face to face services, so that the NDH can make more efficient referrals.	This project is still in the design stage. We have identified pilot agencies and the key parameters of what the technology solution needs to deliver.

Making it easier to find a financial counsellor

	Project description	Outputs
	<p>We invested significant time and effort into increasing awareness of financial counselling (what financial counsellors do and how to find one) as well as of the National Debt Helpline as a clear entry point.</p>	<p>More than 110 stories and mentions in mainstream media (ave 2 per week)</p> <p>Increased social media presence</p> <p>NDH website visits – up 22%</p> <p>Advertising campaign – back of cabs and buses, Facebook, doctor's surgeries, flyers in courts.</p>
	<p>For people who can self help – we made sure that the National Debt Helpline website was up to date, including with specific information on Covid-19.</p>	<p>New NDH home page, specific content (regularly updated) on Covid and financial hardship.</p>

Coordinating and supporting financial counsellors during the pandemic

	<p>Special website for financial counsellors (covid19fc.org.au), wellbeing webinars for financial counsellors (facilitated by Beyond Blue), webinars on assisting small business, special newsletter collating the government/industry updates, telephone skills training for financial counsellors. Training on mental health/suicide prevention has been delivered to National Debt Helpline providers. Small Business Handbook chapters.</p> <p>We also provided training to media training to a number of financial counsellors and agency managers.</p>	<p>Positive feedback overall from the sector on training and resources.</p>
	<p>State associations put in place Workforce Development Officer roles to support the interns, their managers and agencies.</p>	<p>80% of interns said they felt “fairly supported” or “very supported”.</p>

What has been achieved

As a whole, we are proud of what has been achieved to date, or is being achieved, within the suite of covid projects. Many of the discrete projects included a program logic in their design and this has been used to measure progress and in the final evaluations.

The intern project is a model that could be used in the future to increase the financial counselling workforce in a targeted way. Agencies were able to choose students who demonstrated potential and who could learn on the job. Where possible we know that some agencies kept their interns after the additional funding for them finished, but it was not possible in all cases.

The establishment of Steps, a virtual financial counselling agency, allowed students to complete their placement hours for the Diploma of Financial Counselling using simulations, including role plays. Many of these students would not have been able to complete the qualification without Steps, because lockdowns meant that face to face placements were not available. The work involved in setting Steps up was enormous, taking many long hours over just a few short months. Steps is continuing in the next financial year, but at a reduced level to assist rural and remote students, who continue to face challenges in accessing face to face placements.

The introduction of chat to the National Debt Helpline website was an obvious next step in increasing access to financial counselling. As just one example, one of the first chats received was from a person who was hearing impaired.

The appointment availability project requires a bespoke software solution, but has the potential to improve the experience of clients and improve the efficiency of the financial counselling sector. Most of our work this year was getting the design of the solution right, involving consultation with the National Debt Helpline staff and the pilot agencies, and then choosing the right vendor.

With more people at home during the pandemic and spending time online, the National Debt Helpline website experienced a large increase in traffic. The new pages with information specifically about covid were popular. Significant staff time and effort was put into keeping these pages, and the whole site up to date, as government and industry supports changed so regularly.

Finally, as a result of media engagement and promotion, the profile of financial counselling is much higher.

Key Initiatives

Australian Taxation Office Issues – First Nations

Financial counsellors and capability workers continue to report various issues when interacting with the ATO. This year we prioritised working with the ATO in an attempt to fix these issues. While there was progress, success overall was mixed.

One long-standing issue has been how a financial counsellor can establish their identity with the ATO, without having to provide their own personal tax file number. There was some progress here, with the ATO accepting financial counsellors as “covered entities” under the Taxation Administration Act. This resulted in a FCA guidance note for the sector setting out the options for contacting the ATO.

Our other focus was on issues involving First Nations clients. The ATO took on board feedback about their Indigenous helpline and the barriers faced by First Nations people in proving their identity, for example, because the person has an aboriginal name and a government-registered name. The ATO is putting in place improved processes and training, but this does not always translate into practice.

The area of disappointment relates to deceased estates and superannuation. The Tax Office can tell the relatives of people who have lost loved ones if there are any inactive superannuation accounts. But after many months of discussions, their view is that unless the relative has probate of the will or letters of administration, the law stops them from providing information about the existence any active superannuation accounts.

This issue particularly affects First Nations people as many die without having a will or have any other paperwork, but will also affect many other Australians. Thousands of dollars of superannuation, or the insurance benefits in super, are going unclaimed as a result.

This is a ludicrous situation as all that is required is a simple database check that would take a couple of minutes – it is either a “yes, here’s the name of the super fund”, which would allow a person to then contact the fund, or a “no, there is nothing, and your search is over”. If the answer is a yes, it is up to the super fund to decide whether a relative is entitled to any money.

At least however we finally had an answer about the ATO’s position and could turn our attention to a new strategy: getting law reform. We contacted a range of other organisations, including superannuation peak bodies from across the spectrum, consumer organisations and First Nations organisations. Collectively, we wrote to the responsible Minister, Senator Jane Hume and have since met with her office. We will continue to progress this issue in the coming 12 months.

It is unconscionable that First Nations people and others are missing out on money that is rightfully theirs because of a technical drafting of the section of the Act.

Bushfire Responses

The Federal Government funded several financial counselling agencies as well as the National Debt Helpline to assist people experiencing financial hardship following the 2019 – 20 bushfires.

FCA's role was to coordinate the service delivery response, including training, information sharing and data collection. We have provided fortnightly data reports to government on the promotion, number of clients, and main casework issues from financial counsellors and their agencies.

A generous donation of \$500,000 from Westpac was used to strategically fill funding gaps in locations where there was unmet need. In May 2020, the Government allocated an additional \$3.5m funding for 12 months, to 22 organisations across the five affected states and one territory.

Of the 22 agencies that were funded by the Federal Government, one of these agencies alone returned \$2.2 million to the region by securing beneficial casework outcomes (through reviewing insurance claims, negotiating debts and accessing assistance and grants).

One role we had was to collect data from financial counselling agencies assisting survivors. Between February 2020 – June 2021, financial counsellors engaged with over 20,000 Australians impacted by the 2019 – 20 bushfires, resulting in 7,445 casework sessions.

Based on those casework sessions, the main themes were access to grants, insurance claims (resolving issues in claims, people having no insurance or being underinsured), poor mental health and debts.

Some of the learnings from the bushfire recovery work are:

1. In addition to people having no insurance or insufficient cover, people who have insurance assume the total risk of estimating the required cover for their property. Many people may believe they are fully covered but have accidentally underinsured their properties, because they assume the rebuild costs will be far cheaper than they turn out to be. Insurers need to accept responsibility that they have a role to assist consumers be properly insured.
2. Many people find that the cost of adhering to the Bushfire Attack Level guidelines makes rebuilding their home unaffordable.³ For example, a recent investigation found that from a state-wide sample in New South Wales of 1,300 destroyed houses across nine shires and councils, less than a quarter were subject to development applications by June 2021.⁴
3. The bank's responses to the bushfires have been generally positive, but the moratoriums and flexibility afforded to customers may decrease. What happens in the future, particularly as COVID-19 support measures wrap up, must be monitored closely.

3 Insurance Australia Group (IAG) reports that the Bushfire Attack Level (BAL) ratings that guide construction requirements for bushfire resilience increase the cost of rebuilding by between \$53,000 - \$273,000 depending on their BAL rating.

4 James Purtill, 'Can't stay, won't leave,' June 2021, <https://www.abc.net.au/news/science/2021-06-23/kiah-cobargo-nsw-south-coast-in-the-path-of-climate-change/100201352>

4. The work of financial counsellors should begin immediately following the disaster, with a focus on accessing grants and entitlements. Disaster financial counselling is long tail work, and we need to stay with people throughout the recovery process. One financial counsellor asks their disaster affected clients: “What can I do to take something off your hands?”
5. Disaster recovery needs to be a permanent part of the financial counselling sector’s ongoing work. FCA has key a role in workforce development, specialist training and connection with government, insurers, banks, and emergency management organisations. The role of state peak bodies is a critical component in disaster preparedness and response.

We are grateful for the assistance provided by the Australian Government’s Department of Social Services, which enabled thousands of people to receive support. A special thank you to the financial counsellors and their organisations for the support they continue to give survivors.

Buy Now Pay Later Policy Work

Financial counsellors are seeing increasing numbers of people becoming overcommitted with buy now pay later debt. A 2020 report from the Australian Securities and Investments Commission (ASIC) found that 21 percent of consumers are missing BNPL payments and 20 percent are going without other essentials, such as food, to pay their BNPL debts.⁵

These products, along with the equally concerning wage advance products now in the market, exist in a legal grey area as they are not subject to the National Credit Code. This means they are not subject to safe lending laws, including requirements for companies to have adequate hardship practices.

This has become a policy priority for us. Law reform is needed to ensure consumers are protected in the same way they would be with a traditional credit product, like a personal loan or credit card.

Our work in the last year has centred on raising awareness across community, government and industry about what financial counsellors are seeing in their casework with BNPL. This has included:

- providing regular commentary in the media
- holding a forum with industry groups in May 2021, where financial counsellors shared with industry leaders the problems they are observing
- facilitating a plenary discussion at the FCA conference in May between our sector, ASIC and the Australian Finance Industry Association (AFIA)
- launching a sector network

Buy now pay later use shows no signs of slowing down. We will be running a survey of financial counsellors in late 2021, which will form the basis of a new report on the issues being observed on the ground, including recommendations of changes to improve these products for government and industry.

5

Australian Securities and Investments Commission, ‘REP 672 Buy now pay later: An industry update,’ November 2020, <https://asic.gov.au/regulatory-resources/find-a-document/reports/rep-672-buy-now-pay-later-an-industry-update/>

Financial Capability Workers

Financial capability workers (FCW) continue to play a vital role in providing financial literacy education in Australia, especially in remote areas.

The financial capability network, which is facilitated by FCA, has grown to 130 people and we expect this figure to increase in the coming months and years. Members sometimes perform a range of other roles, not just financial capability work. There are also resilience workers, emergency relief workers, money management workers and NILS (no interest loans) workers.

The network's google email group has been popular as a means of corresponding with one another. It's the ideal platform for sharing successes, information, and resources across the country.

This year we put together a spreadsheet to share with staff on the National Debt Helpline with quick referral pathways for people seeking financial literacy awareness and information. The spreadsheet lists the FCW name, the service they work for and the area of service they cover to allow for smooth referrals. This was trialled in Victoria and we plan to share the spreadsheet with the National Debt Helpline in other jurisdictions over the next twelve months.

Many of the FCWs have taken part in personal development and training provided by FCA. This financial year FCA ran webinars on role boundaries and ethics, superannuation and how FCWs can work with financial counsellors.

This year has also seen some fantastic work with the ANZ. We have engaged with their Financial Inclusion & Community Engagement team to assist with updating the Money Minded and Money Business kits. ANZ has committed to running training sessions for our FCWs.

Other key engagement has seen FCWs work with Social Ventures Australia – Indigenous Funeral Product, ASIC's Indigenous Outreach team on their Indigenous Financial Literacy Strategy and WIRE – Intersectional Economics Project.

FCA Conference

“ It was the best conference I've been too – so inspiring!”
(A delegate)

Organising a conference in a pandemic is a labour of love because it takes a lot more work. But we really wanted to get to Darwin and to bring our community together after a challenging year. And we were so very lucky, having a wonderful conference with 600 people attending in person in the week before the east coast tumbled into months of lockdown. People were on a high, relishing the joy of being together and the tropical weather was a bonus.

It was the first time the FCA national conference had been held in the Northern Territory. We used the opportunity to blend a First Nations theme and voices throughout the conference. Many people commented that the opening session “A walk out of the big smoke onto country” was the best conference session that they had ever experienced, anywhere.

We heard from financial counsellors and capability workers who work mostly in First Nations communities. The final session with Uluru Voice of the Heart advocate, Thomas Mayor, received a standing ovation. This was a conference of passion and purpose. It started and ended in language, and the hauntingly beautiful voice of Larrakia nation's Edwin Fejo.

Our survey was completed by 343 people, which is an indication of a positive experience, and 93 percent said that they would recommend our conference to others.

We planned for all contingencies to prioritise safety. Our covid-safety plan was approved by the NT Chief Health Officer. We added SMS messaging so each day, anyone with a symptom knew exactly who to contact. We refunded money and thanked those people who at the last minute stayed home to keep everyone safe.

Alongside the physical conference, we ran a back-up virtual conference that brought its own challenges but led to having great quality videos of sessions.

The FCA conference brings together stakeholders from industry, government, financial services and the financial counselling sector. We had 40 exhibitors participate and financial counsellors appreciate the opportunity to meet the exhibitors.

The stand was extremely worthwhile. It provided the opportunity to engage with financial counsellors and promote our service but also to explain what it is we do. It also gave us the opportunity to build collaborative networks with the other stall holders. I would definitely like to participate again.
(industry participant)

The Monday and Tuesday before the conference were filled with workshops, meetings, and forums. In early 2020 FCA established what is now the Small Business Debt Helpline (it started as the Small Business Bushfire Financial Counselling Support Line). We used our new expertise to run a small business training workshop for financial counsellors. The External Dispute Resolution forum invited regulators to join in this year in an expanded format. The financial counselling agency managers met with a record number attending (65). We also held meetings with our representative council, training managers and RTOs, a student function, 'disaster workers get-together', the ATSI forum and ATSI Yarning circle with regulators and ombudsmen, and more.

The program theme was 'crunch'. Some of the highlights were Professor Ross Garnaut's Big Crunch keynote that explored his rationale for a universal basic wage and the theme of a 'fairer new normal', a panel on 'climate crunch-time' that looked at the impact of climate change on our work, Senator Malarndirri McCarthy's speaking about closing the financial gap in First Nations communities, the cybercrime and ID fraud session, meeting the gambling regulators and of course the awesome SPOT talks (which are always powerful and moving). Minister for Families and Social Services, Anne Ruston flew a long way to express her support for the financial counselling sector.

The social aspect of the conference was a lot of fun and people enjoyed meeting old friends and new, and networking. It included a welcome event in our conference beer garden, a memorable Jan Pentland Dinner that was held outside on a magnificent cove as the sun set on the water, a movie night at the outdoor Deckchair Cinema and a wind-down event at Mindil beach market.

These were some of the comments when we asked people what they gained from the conference.

Sensational program. Very informative and a great opportunity to hear from others as to what is happening throughout Australia

Not being a financial counsellor, the conference was informative, well put together, and a great place to meet and discuss cross-cutting issues with other passionate people.

Information and knowledge but more important was a sense of belonging to a group of people that have the same aspirations for our community as I do.

The stories shared, especially by the FCs and capability workers who work with First Nations clients, were amazing and insightful.

Renewed inspiration and passion for the work I do. Deeper understanding of Aboriginal and Torres Strait Islander culture. Deeper appreciation for the work rural, remote, regional FCs do

The sense of how our work in a small agency could combine with others to make policy change.

Greater confidence in my work and to back myself when things sound dodgy. Knowing who to turn to for specialist assistance

A LOT of contacts. A great sense of how to engage with the FC community for the financial wellbeing of customers. Great confidence in the financial counselling community. Lots of information.

Connections, deeper understanding of the breadth of issues being tackled, sense of inspiration.



Figure 1: Larrakia performer Edwin Fejo performs moving original piece interpreting the Uluru Statement of the Heart.

The Jan Pentland Prize and Scholarships

The 2021 winner is Unaise Buli, from the Indigenous Consumer Assistance Network in Cairns (ICAN). The prize was awarded at the Jan Pentland Dinner (at the Darwin conference).

The Jan Pentland Prize is the sector's most important honour. It recognises the work of an individual, group or organisation in the community sector, focussing on the financial or consumer rights of disadvantaged people in Australia. It focusses on the effective integration of casework with campaigning for broader change.

Unaise Buli

Unaisi has been a financial counsellor with the Indigenous Consumer Assistance Network in Cairns for over 10 years, where she completed her Diploma of Community Services (Financial Counselling) in 2012.

Unaisi demonstrates a tireless commitment and passion to driving positive systemic change for First Nations communities across North and Far North Queensland and Australia more broadly. She strives to ensure that the communities she serves have access to the highest standard of financial counselling.

Unaisi is a dedicated advocate and role model for her community – particularly for the women of Cairns and Cape York – her colleagues and her agency.

Unaisi is also described as strong and brave – an individual who leads from behind to ensure that community has a voice – even though her own voice can be humble, and shy.

Alongside individual outcomes on behalf of clients – some for thousands of dollars and some for as little as a 100, Unaisi has also contributed to many national committees and advisory boards, playing a critical role in bringing the issues impacting Indigenous communities to the attention of key decision makers.

Even though Unaisi can be quiet, her nominees said “make no mistake, she has a fire in her belly and roar in her throat that is revealed when she identifies an injustice or an approach that fails the people she works tirelessly for.”

Unaisi's positivity is captivating, as is her love for her daughter, her nieces and nephews, the North Cairns Tigers AFL women's team, and the colour purple.

There were also 15 Jan Pentland scholarships awarded, which provide financial assistance to individuals who are undertaking study or are intending to undertake study in financial counselling. The full list of recipients is available on the Jan Pentland Foundation website.⁶



Figure 2: The Jan Pentland Dinner.

Gambling Advocacy

FCA's advocacy work focussed on strengthening consumer protections in various ways.

Credit cards and debt financed gambling harm

We wrote multiple submissions and advocated for a ban on the use of credit cards for online gambling. We spoke at various parliamentary hearings and liaised with the gambling and banking sectors, and organised media. The Senate Inquiry focussed on a specific bill by Senator Stirling Griff introduced in 2020.⁷ This overlapped with a Joint Parliamentary Inquiry led by Liberal MP Andrew Wallace in mid-2021. Both Responsible Wagering Australia, the online gambling industry peak body and the Australian Banking Association have now come out in support of a prohibition on credit card funded gambling.

⁶ Jan Pentland Foundation, <https://www.janpentlandfoundation.org/scholarships>

⁷ In April 2021, we took the lead in a joint submission with Consumer Action Law Centre and Financial Rights Legal Centre in response to the Senate Inquiry into the Interactive Gambling Amendment (Prohibition on Credit Card Use) Bill 2020.

The gambling industry's preference is for self-regulation. FCA and the ABA called for government regulation. Our submission and hearing evidence garnered media attention, as various News Corp outlets ran stories with the lead: "Australian senators have heard impassioned pleas by financial counsellors and gambling reform groups to ban the use of credit cards for online betting."⁸

We will continue campaigning on this until we no longer see credit card funded gambling, including through e-wallets. There also needs to be regulatory penalties for operators who do not comply. Pleasingly, some financial institutions whom we have met with, have voluntarily stopped their credit cards being used for gambling.

Banks and gambling

We have been working with banks to improve how they support their customers who gamble. All four big banks now have mechanisms for their customers to block gambling transactions on their accounts and cards. NAB, ANZ and Westpac introduced functionality for people to turn the block on themselves via their apps or online portal. The fact that a person does not have to talk to an operator has been a game-changer in take-up of the user block. Commonwealth Bank says that it will introduce its app activated block by the end of 2021. People who find that their family members rack up unauthorised debts on their bank products (this can be economic abuse or elder abuse), will hopefully also find utility in the gambling blocks.

We are now turning our attention to the mid-tier banks and asking the big banks to introduce gambling spend controls, where people can set their own gambling spend limit. We know that many people with gambling issues will not be ready to stop gambling but appreciate having tools to limit gambling harm.

We are also turning our attention to spreading the word about the availability of bank help.

Crown Casino

We wrote submissions to the Victorian and WA Crown Royal Commissions.⁹ The focus was on how the casino codes and legislation are weak when it comes to responsible gambling, illustrating this with compelling case studies from financial counsellors' client work. The WA Crown submission focussed on loan sharks and proceeds of crime, and the loan shark aspect was picked up by the media. We are calling for proceeds of crime legislation, that removes the incentive for gambling operators to turn a blind eye to crime funded gambling. Currently, even when the funds are clearly traceable to the gambling operator, there is no process or attempt to return the money to victims of crime.

The Victorian Royal Commission report has found Crown unsuitable to hold a licence. Our submission contributed to the damning discovery by the commission as to the manner in which Crown Melbourne deals with the many vulnerable people who have a gambling problem.¹⁰

8 Ellen Ransley, 'Push to ban credit cards in online gambling,' September 2021, <https://thewest.com.au/business/push-to-ban-credit-cards-in-online-gambling-c-3927482> and <https://www.news.com.au/finance/business/other-industries/push-to-ban-credit-cards-in-online-gambling/news-story/d4f0f274fd7d08ce1f428b600c1582c8>

9 Financial Counselling Australia, 'Submission for Royal Commission into the Casino Operator and License Melbourne,' June 2021, https://www.rccol.vic.gov.au/sites/default/files/2021-06/Submission%2071%20Financial%20Counselling%20Australia_0.pdf

10 The final report and recommendation are here <https://www.rccol.vic.gov.au>

While there is still significant reform to be achieved, this is an indication that our gambling advocacy work is having a positive contribution to the debate around gambling policy.

Criminally funded gambling, proceeds of crime and Austrac

We have set up media highlighting the inadequacies in our regulation and enforcement involving crime funded gambling.¹¹ We have advocated for Austrac to do more in enforcing gambling operators' compliance with Anti-Money Laundering and Proceeds of Crime legislation, with the aim that gambling operators establish the source of a person's funding (and in doing so, form a position applicable its responsible gambling obligations, as to whether the person can afford that level of gambling losses).

We are advocating for new legislation for gambling proceeds of crime. Currently, gambling operators simply keep the proceeds of crime, even after an individual is convicted and a forensic audit establishes the illicit fund trail to the gambling operator. No one is asking for the money to be returned to the innocent victims of crime, often small businesses or individuals.

Supporting financial counsellors

We supported financial counsellors in lodging complaints with gambling operators and regulators. We have provided training on the various pieces of legislation and codes, and the various regulatory bodies with respective avenues for complaints.

This has led to some clients getting their money back when gambling operators have breached the consumer protection framework.

Gambling Suicide Roundtable

In October 2020, we held a full-day virtual roundtable together with Suicide Prevention Australia to discuss ways to prevent gambling suicides. We selected 49 people to participate, with each bringing a unique vantage point. The aim was to share what we were seeing and to work out what each sector and organisation could do to address issues in our respective domains. We invited people on the basis that they had something to contribute and a desire to save lives. Participants included those with lived experience, peer support workers, gambling financial counsellors and consumer lawyers, therapeutic gambling counsellors, gambling and mental health helplines, regulators, police and coroners, Australian Defence Force veterans, banks, peak bodies, and gambling companies.

11

ABC's 7.30 Report 'Sports betting agencies accused of turning a blind eye to spiralling losses of problem gamblers,' July 2020, https://www.abc.net.au/7.30/sports-betting-agencies-accused-of-turning-a-blind/12436788?fbclid=IwAR3htPh5f-p87MX9I9tDxhjaXnP6juizSRTzVPE6okNZ_QK8tG4CvgJj6SY, ABC PM, 'Pressure for Australia to copy tough, UK-style gambling regulation,' April 2021, <https://www.abc.net.au/radio/programs/pm/pressure-for-australia-to-copy-uk-gambling-regulation/13292284#:~:text=Pressure%20for%20Australia%20to%20copy%20tough%2C%20UK%2Dstyle%20gambling%20regulation,-By%20Linda%20Motttram&text=With%20Australians%20losing%20the%20highest,the%20source%20of%20gambling%20funds>. Steve Cannane 'Over \$3.7 million stolen from this small business and put into the pokies, but clubs can keep the money,' April 2021, <https://www.abc.net.au/news/2021-04-07/vicki-stole-millions-and-put-it-in-st-marys-leagues-club-pokies/100042284>

This was the first time that anyone had brought together a diverse cross-section of people who see gambling-related suicides in their jobs and in their lives. It was a moving and profound day. We came away knowing that despite the ABS and the coronial process not capturing gambling suicides, that lives are being lost because of gambling. Every participant had a story. One person knew of 80 gambling suicides from 21 years working in the field. We learnt that the risk period does not stop when someone stops gambling. Lives are lost many years later, without warning signs. Mostly it is the person gambling at risk, but sometimes partners have their savings used and trust abused and take their lives.

Some changes have already been made, but there is much more to do. We were told not to wait for perfect data. We have a plan, and a starting point.

We thank the courageous people who shared their stories.

National Debt Helpline Chat Service

Part of our strategic plan has long been to implement a chat service for the National Debt Helpline (NDH) as a way of increasing access to financial counselling. This is a channel that many young people prefer, and it provides increased accessibility for people with hearing difficulties or those who lack privacy while speaking on the phone. Others find discussing their situation verbally too confronting, and the online chat can ease this discomfort for them.

The additional funding from the Government this year allowed us to pilot a chat service and it quickly proved its value. The chat pilot was delivered by four providers from July 2020 to June 2021. This included the ACT, NSW, WA and the Small Business Debt Helpline, which took enquiries from small businesses nationally.

The chat's popularity grew significantly, and the providers developed proficiency in delivering the service. Chats received in the non-participating states also increased, which demonstrates further demand for the service.

For the six months of July – December 2020, there were 2,345 chats in the pilot states. In the next six months of January – June 2021, this number nearly doubled to 4,467.

We aim to demonstrate the value of a chat service as part of the National Debt Helpline, expand it so that it is available across Australia and make a case for its ongoing funding. The methods through which the service is delivered and the chat's design will also continue to be fine-tuned to align with new learnings.

Promoting Financial Counselling

People can only benefit from financial counselling if they know about it and can find a service. It is also important to promote financial counselling so that people are less likely to access high cost credit or other services that can actually cause more harm. Therefore, we promoted financial counselling and the NDH extensively throughout the year.

We used a combination of approaches such as paid advertising, developing relationships with media outlets and journalists, posting regular social media content and engaging key stakeholders in promotional activities.



Figure 3: National Debt Helpline advertising on a bus in Launceston, Tasmania.



Figure 4: National Debt Helpline advertising in medical clinics.

There were 238 media stories published as a direct result of our pitching and responses to media requests. There were 125 stories between July to December 2020 and 113 between January to June 2021. These stories have been across various platforms, such as print and online news, radio, television and podcast.

As of the last week of June 2021, the NDH website had received 202,425 visits since the beginning of the year, compared to 163,843 visits during the same period in 2020. At the end of June 2021, the NDH had 1,312 followers across its key social media pages (Facebook, Twitter and LinkedIn). At the same time in 2020, its pages had 443 total followers.

Save Safe Lending Campaign

In September 2020, the Federal Government announced plans to axe safe lending laws – essential consumer protections designed to protect people from becoming overcommitted. The first recommendation of the Financial Services Royal Commission was that these laws should not be changed.

FCA and the state and territory financial counselling associations made a joint submission to The Treasury about the devastating consequences of the proposed changes to the National Consumer Credit Protection Act 2009.

Responsible lending obligations require lenders and brokers to:

- make reasonable inquiries about the consumer's financial situation, and their requirements and objectives;

- take reasonable steps to verify the consumer's financial situation; and
- make an assessment about whether the credit contract is 'not unsuitable' for the consumer.

FCA is part of a coalition with CHOICE, Consumer Action Law Centre and Financial Rights Legal Centre and others is involved in the national Save Safe Lending campaign, to oppose the changes.

Our initial focus was on briefing and activating financial counsellors, capability workers, community workers and community organisations to voice support for safe lending laws and tell the story of the impact of axing these laws. We did this through ongoing online briefings and by providing a toolkit that equipped people in the community with the necessary resources to write to and visit their local MPs and Senators. Throughout October and November 2020, MPs and senators across the country were contacted by financial counsellors calling on them to oppose the changes.

Together the coalition launched a website (debt-disaster.com.au) and an open letter calling on politicians to block the proposed law upon its introduction into Parliament.¹² 125 organisations, 97 prominent Australians and over 39,000 other people signed onto the letter.¹³ This played a key role in raising awareness and showing widespread community opposition.

In October 2020 we launched the Save Lending Survey of financial counsellors. The survey formed the basis of our public report in November that showed 97 percent of financial counsellors surveyed wanting the laws to stay.¹⁴ The report provided a valuable resource of examples and stories of unsafe leading, which were cited on numerous occasions in the House of Representatives chamber during debate on the bill.

The coalition kept in touch with crossbench senators, who had the power to block the bill. In late February 2021, together with CHOICE, Financial Rights Legal Centre, and Consumer Action Law Centre, we appeared before the Senate Economics Committee on its first day of public hearings to scrutinise the bill.¹⁵

While in Canberra, we met with politicians from across the political spectrum and held a media event in front of Parliament House (pictured). We also used it as an opportunity to get financial counsellors and other supporters involved. On the day of the hearing, we asked community sector organisations and supporters to tweet messages to politicians using the hashtag #DebtDisaster. For most of the day, #DebtDisaster was trending nationally on Twitter, showing the wide community opposition to the Bill.

12 CHOICE, 'Open letter to save safe lending,' <https://action.choice.com.au/page/69531/petition/1>

13 Ibid.

14 Financial Counselling Australia, 'Survey predicts dire consequences if save lending laws are axed,' February 2021, <https://www.financialcounsellingaustralia.org.au/survey-predicts-dire-consequences-if-save-lending-laws-are-axed/>

15 Parliament of Australia, February 2021, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/NCCPEcoRecovery/Public_Hearings



Figure 5: Save Safe Lending campaign representatives at Parliament House in Canberra, Australian Capital Territory.

In March we launched an open letter calling on the Senate crossbench to back safe lending laws¹⁶. Over 160 financial counsellors from across the country joined us to draft the letter, sharing stories and case studies of the harm that would result from axing these laws.¹⁷

Positively, and in the same week as FCA's conference, Queensland Senator Pauline Hanson announced that she and her colleague Senator Malcolm Roberts would oppose the changes, tweeting "Responsible lending saved".¹⁸

The release of CHOICE's report on mortgage stress in late May 2021 provided another opportunity to call on the Senate crossbench to support our campaign. The report showed significant levels of mortgage stress across the country, including in Tasmania where half of all mortgage holders were experiencing stress.¹⁹ The following day, Tasmanian Senator Jacqui Lambie went on public record to oppose the Bill, telling media that "the Bill is done".²⁰

With the announcements of Senators Hanson, Roberts, Lambie, and earlier support from South Australian Senator Rex Patrick, the bill has not had the numbers to pass the Senate. Despite the Government seeking to repeal safe lending laws by 1 March 2021, they remain in place as of September 2021.

FCA and the other organisations involved will continue to monitor the situation, however at this point it seems unlikely that the proposed rollback of the laws will be implemented.

- 16 Financial Counselling Australia, 'Sector-Wide Letter to Senate Crossbenchers to Save Safe Lending Laws,' March 2021, https://docs.google.com/document/d/1G-z4ralsHiay_q3Oboe9p_WBZth2zY9cud8nVy3KFYg/edit
- 17 Financial Counselling Australia, 'Media release: "the future of safe lending is in your hands" – financial counsellors plead with Senate crossbench to block government plan to axe laws,' March 2021, <https://www.financialcounsellingaustralia.org.au/fca-content/uploads/2021/03/FCA-Safe-Lending-Letter-MR.pdf>
- 18 Pauline Hanson, May 2021, <https://twitter.com/paulinehansonoz/status/1395175578886721537>
- 19 Jarni Blakkarly, 'Mortgage stress on the rise across Australia, with Tasmania hit hardest,' May 2021, <https://www.choice.com.au/money/credit-cards-and-loans/home-loans/articles/mortgage-stress-on-the-rise-across-australia>
- 20 Malavika Santhebennur, 'The bill is done: Jacqui Lambie on RLO repeal,' May 2021, <https://www.theadviser.com.au/breaking-news/41614-the-bill-is-done-jacqui-lambie-on-rlo-repeal>

Small Business Debt Helpline

On 20 January 2020, the Federal Government announced a suite of measures to support small businesses affected by the bushfires. These included \$3.5 million to establish the Small Business Bushfire Financial Counselling Support Line, which we launched with an accompanying website on 18 March 2020.

Since then, the support line has expanded to offer advice to all kinds of small business owners facing financial hardship, regardless of the cause of their financial difficulty.

During the 2020 – 21 financial year, the Helpline provided 951 cases of assistance to 868 unique businesses across a broad range of industries. The most common forms of assistance were addressing debt management issues and referrals to a financial counsellor for more extensive casework. The emotional support provided by the financial counsellors who work on the Helpline is also critical.

There has been an increase in the number of small businesses contacting the Helpline in the first half of 2021. This has been driven in large part by the impacts of COVID-19 and lockdowns on small businesses.

The Helpline employs 9.3 FTE specialist small business financial counsellors (translating to 14 financial counsellors as some work part-time). The Helpline also employs staff with legal and insolvency expertise.

Impacts of the Helpline

Most small businesses who seek assistance from the SBDH are micro small businesses. From the service's inception in March 2020 to 30 June 2021:

- 92% have 5 or less employees
- 53% have no employees.²¹

In the first six months of the financial year, the primary reason small businesses contacted the Helpline was for help in managing debts (42 percent), followed by accessing grants (30 percent). In the second half of the year, more callers sought help with managing debts (52 percent), and there was a large reduction in those seeking help to access grants (8 percent).

The change of priorities between these six-month periods is consistent with the reduction in supports and new measures for small businesses and sole traders between these periods.

Most callers to the Helpline are experiencing distress and anxiety. The most immediate and tangible service that the Helpline offers is an impartial and confidential 'ear'. Through empathy and exploring a person's situation, the financial counsellors enable people to identify the next action to help them and their business. Typically, the next steps clients took included negotiating payment plans and hardship arrangements (assistance with debts), working with a financial counsellor, and seeking the advice of a professional (e.g., a lawyer or insolvency practitioner).

21 Percentage calculated based on the cases (395) that provided details for number of employees. Small Business Debt Helpline, 'Insight Report,' June 2021, p. 6, <https://fcaustralia.sharepoint.com/:b/g/EbjUju12UHpmY2YjRHMedoBsAYyIR0IE09uZpSBYlI5Aw?e=w8c2ky>

All outgoing emails to clients include an invitation and link to complete a survey about their experience with the service. Unfortunately, participation rates have been low, however this is understandable given the challenges many callers face. The low response rate means the results are not indicative of all the people who contact the Helpline. From the limited responses, 82% are much more aware of the options that might assist their small business and 86% were very likely to act on the information provided.²²

Promoting the Helpline

Promotion of the Helpline as 'Small Business Bushfire Financial Counselling Support Line' continues to be a challenge. While call volumes have recently increased, they remain below the service's capacity to provide support to small businesses. A major reason for this was that the Helpline, with its focus on assisting businesses affected by bushfires, was launched at the same time as Australia was grappling with COVID-19. It was very difficult to cut through and let people know about the existence of the service.

Increasingly, we position the service as 'Small Business Debt Helpline'. This terminology attracts more interest from media, is more prominent in online searches, is more user-friendly and assists in explaining how the service can actually help small businesses.

We continue to focus on improving the Helpline's presence with small businesses by:

- encouraging National Debt Helpline staff and generalist financial counsellors to refer people to the service
- working with the NDH on joint promotional activities
- creating a Small Business Debt Helpline web page with the phone number and a link to the Small Business Bushfire Financial Counselling Support Line website
- delivering a social media campaign focusing on education and building credibility of our service
- working with other organisations and encouraging them to promote the service.

The Helpline website (sbdh.org.au) provides information about the service, encourages people to call, and outlines other assistance that is available.

What comes next for the SBDH?

The Helpline is having a positive impact on the people who use the service. Many people who contact the service are distressed and appreciate the opportunity to talk with someone. They are increasingly facing insurmountable debt, which may be related to disasters such as bushfires, covid or other challenges.

The Helpline is also evolving to provide increasing task assistance for people. This is in response to a pressing need for such assistance, due to limited and inconsistent access to support for small business owners.

After 30 June 2021, the Helpline saw a notable increase in the number of small business owners reaching out for assistance, who were distressed and desperate. We anticipate that this trend will continue in coming months.

Sylvan Review Implementation

On 3 October 2019, the Hon. Anne Ruston, the Minister for Social Services, released the independent review of financial counselling services conducted by Louise Sylvan AM: 'The Countervailing Power: Review of the Coordination and Funding for Financial Counselling'.²³

The Government commissioned the review in response to comments made by Commissioner Hayne in the final report of the Financial Services Royal Commission about the need for predictable and stable funding for financial counselling and community legal services. The key recommendations of the review were that industry should contribute to the funding of financial counselling and that funding be managed through an independent body.

It was not until November 2020, however, that the Government released its response to the review, supporting, or supporting in principle, all recommendations.²⁴ Since then, we have been working with the Department of Social Services (DSS) and industry in the development of an industry funding model and a potential legislative framework to facilitate funding to our sector from industries that both drive demand for our services and benefit from the work financial counsellors do. Industry funding will be in addition to ongoing Commonwealth and state and territory funding.

In February 2021, we formed a Sylvan Implementation Working Group (SIWG) to bring key stakeholders together to consider policy and design issues. The group is chaired by Peter Kell and has members from DSS, industry (the Australian Banking Association; Insurance Council of Australia; Energy Council of Australia; and Communications Alliance) and the financial counselling sector (Carmel Franklin, Fiona Guthrie, Kylie Holford and David Tennant). The SIWG has been very collaborative and over its 10 meetings to date, has provided feedback and advice on key aspects of implementation.

In late March and April 2021, we held 12 briefing sessions for our sector to provide updates on progress with the industry funding model. Close to 200 financial counsellors and financial counselling agency managers attended. At that time, a broad framework for how industry funding could be implemented had been developed by DSS and it was hoped Government would approve the implementation approach and announce that agreement in the May 2021 Budget. That did not occur for a couple of reasons, primarily because the proposed approach was considered too complex, and a few industry sectors questioned the basis for their participation.

23 Louise Sylvan, 'The Countervailing Power: Review of the coordination and funding for financial counselling services across Australia,' October 2019, https://www.dss.gov.au/sites/default/files/documents/10_2019/report-review-financial-counselling-services.pdf

24 Australian Government Department of Social Services, 'Release of the Government response to the Countervailing Power: Review of the coordination and funding for financial counselling services across Australia,' November 2020, <https://www.dss.gov.au/communities-and-vulnerable-people-programs-services-financial-wellbeing-and-capability/release-of-the-government-response-to-the-countervailing-power-review-of-the-coordination-and-funding-for-financial-counselling-services-across-australia>

This push-back was particularly strong from the telecommunications sector – except for Telstra who supports industry funding. The remainder of the industry however argued that there was not a sufficient evidence base that they drove demand for financial counselling or that they benefited from it.

In response, just before the Easter period we ran a snap survey of financial counsellors about their experience of the hardship practices of telecommunication companies. At short notice, 228 financial counsellors responded and every one of them said that they had at least some clients that struggled to pay their telco debts. The most common answer was that between one third of clients, to more than half, were struggling with telco debt.²⁵

The engagement and response from financial counsellors and their agencies on the telco survey and on subsequent requests for information to help deliver an industry funding model has been phenomenal and we are very grateful to have such support.

There is more work to be done on a few fronts to help gain policy approval within Government and we will continue to drive and/or support this work in coming months. This includes production of an evidence base of the industry sectors that most contribute to our work (currently underway in the data challenge snapshot); development of a workable framework for industry funding contributions to flow to our sector; and development of a clear picture of our capacity to service current demand and where we are struggling to do so.

The Minister for Families and Social Services of Australia, Anne Ruston, remains committed to an industry funding model and we are grateful for this. We are continuing our work with her department and with industry and our sector to ensure the call by Commissioner Hayne for predictable and stable funding back in February 2019 is heeded and that the Sylvan recommendation for industry funding to our sector is implemented.

Telecommunications Industry

Telecommunications is an essential service: without access to the Internet or a phone, people miss out on jobs, can't make medical appointments or contact government services.

There were two key developments this year in relation to the telecommunications industry: our 'Telcos and Financial Hardship: Feedback from the Frontline' report in April 2021 and the \$50 million fine against Telstra for unconscionable conduct in May 2021.

The report

Financial counsellors are on the frontline of assisting people with debt. Therefore, they are well placed to assess how an industry treats its customers in financial hardship and to make recommendations. Our sector has conducted national surveys in the past asking financial counsellors about the hardship practices of financial service providers, but there has been no national survey focusing just on the telecommunications industry.²⁶

25 Financial Counselling Australia, 'Telcos and Financial Hardship – Feedback from the Frontline,' April 2021, p.2, <https://www.financialcounsellingaustralia.org.au/docs/telcos-and-financial-hardship-feedback-from-the-frontline/>

26 Financial Counselling Australia, 'Rank the Banks (and other creditors) 2019', <https://www.financialcounsellingaustralia.org.au/docs/rank-the-banks-and-other-creditors-2019/>

In light of the telecommunications industry's push-back to participate in the industry funding model proposed as part of the implementation of the Sylvan Review (see the Sylvan Review Implementation section of this report for more information) and as thousands of Australians remain under significant financial stress due to the pandemic, we thought it timely to conduct a survey focusing solely on the telecommunications industry.

We conducted the survey of financial counsellors over the three days just before Easter 2021. There are around 950 financial counsellors in Australia, 228 of which completed the survey for a 24% response rate. This is a very high response rate, given the short timeframe.

We also conducted desk top research, summarising relevant findings from other organisations about the telecommunications industry and customer hardship. The full report is available on our website.²⁷

The analysis in this report about the way telcos treat their customers, particularly those in vulnerable circumstances, reveals serious problems. Overall, the data shows that the industry needs to improve way it responds to customers in financial hardship.

The key points from the report are:

- telco hardship practices are poor,
- mis-selling is common and occurs across the industry,
- affordability checks by telcos are still inadequate and this places people under financial stress.

The telecommunications industry refers customers to financial counsellors and benefits when their customers get back on track.²⁸ As Australia recovers from the pandemic, it will be critical that financial counsellors and the industry work together constructively to ensure people in financial hardship are treated fairly.

The Telstra fine

The Australian Competition and Consumer Commission (ACCC) began investigating allegations of unconscionable conduct by Telstra after financial counsellors approached the regulator with 100 examples of Indigenous people from across the Northern Territory, South Australia and Western Australia being mis-sold telco products.

It emerged that staff in five Telstra stores convinced indigenous consumers to sign up to unsuitable multiple, expensive post-paid mobile contracts. Staff failed to explain these services, inferring that the products were free. Some staff also falsified credit assessments. Many customers accumulated massive debts – one as high as \$19,000.

27 Financial Counselling Australia, 'Telcos and Financial Hardship – Feedback from the Frontline,' April 2021, <https://www.financialcounsellingaustralia.org.au/docs/telcos-and-financial-hardship-feedback-from-the-frontline/>

28 Communications Alliance LTD, 'Telecommunications Consumer Protections Code', https://www.commsalliance.com.au/_data/assets/pdf_file/0011/64784/TCP-C628_2019.pdf (see clause 7.1.3 which requires telcos to provide contact details for financial counsellors).

The ACCC instituted Federal Court proceedings against Telstra for unconscionable conduct. Telstra admitted it breached the Australian Consumer Law and the court confirmed that the proposed fine of \$50 million – the second largest in Australia under the ACL – was appropriate.

A group of financial counsellors worked for three years together to see this ACCC action succeed. Those same people are now involved in ensuring a remediation program brings justice and a finality to this sorry chapter.

This action would never have eventuated were it not for the financial counsellors and capability workers that had trusted relationships with their clients. The \$50 million fine is an important milestone, but it is not the end of our campaign to see mis-selling in the telecommunications industry stamped out.

Training Financial Counsellors in the Digital World

As the COVID-19 pandemic made working from home a necessity, we needed to adapt training methods and resources for financial counsellors to suit an increasingly digital environment.

First, we created a simulated placement model (Steps) for Diploma of Financial Counselling students to complete their practical placements online. By the end of June 21, over eighty students had completed their placements through this program, with a further forty-four students in the process of completing. Without Steps many of them would have struggled to complete their qualification.

Second, we are in the final stages of shifting our online Learning Management System for financial counsellors to a new platform, to make our online resources for the sector more effective and easier to find. We expect this new platform to launch in the second half of 2021.

Finally, we now offer training virtually including elder abuse and advanced family violence. These workshops make use of online tools such as zoom and mural. Online training also allows financial counsellors from any region in Australia to attend.

These measures have allowed our sector to continue to grow, both in size and professionalisation, throughout the pandemic. We will continue to adapt and take advantage of increasing digitisation, to offer high quality training for financial counsellors and students.

Reconciliation Action Plan

FCA's "innovate" Reconciliation Action Plan was launched in 2018. We are currently in the process of developing a new plan. A huge thank you to the RAP Working Group consisting of Carmel Franklin (FCA Chair), Aaron Davis (ICAN), Unaisi Buli (ICAN), Leeanne Robertson (RAW), Susan Cook (Salvation Army), Dominique Meyrick and Lynda Edwards (FCA).

Some of the outcomes achieved under the 2018 RAP are below (this list is not exhaustive).

Relationships

We facilitate communication between financial counsellors and financial capability workers that work predominantly with First Nations people.

We continue to facilitate and support the National Aboriginal and Torres Strait Islander Financial Literacy Network. The number of people involved in the network has risen to 162 financial counsellors, financial capability workers, team leaders and managers of services.

We facilitated the ATSI Forum and Yarning Circle at the 2021 National Conference in Darwin.

Respect

Cultural learning opportunities were provided to FCA staff.

First Nations protocols - an Acknowledgment of Country is made at all external meetings, we engage Traditional Owners to provide the Welcome to Country at our annual conference, an Acknowledgment of Country is displayed in our office.

Our 2021 conference, held in Darwin, had a very strong First Nations theme and special events - see our conference report.

FCA celebrated National Reconciliation Week and NAIDOC Week with invitations to staff to participate on online activities available through the Reconciliation and NAIDOC websites.

Opportunities

We provide professional development opportunities to First Nations people in our sector.

We worked with our network to understand issues affecting First Nations clients. We used this knowledge to influence change in government service delivery and with industry. This included with the ATO in relation to deceased estates and superannuation and their Indigenous Helpline and the banking industry in relation to ATM fees and Indigenous helplines.

Policy input, industry and government engagement

Submissions

We provided substantial policy input to government and industry to inform policy development and law reform. We were part of 10 joint submissions with other consumer and community organisations. FCA was the lead author or sole author of the following:

- Treasury – Review of Retail Grocery Industry (Unit Pricing) Code of Conduct
- Parliamentary Joint Committee on Human Rights – ParentsNext: examination of Social Security (Parenting payment participation requirements – class of persons) Instrument 2021
- Senate Environment and Communications Legislation Committee – Interactive Gambling Amendment (Prohibition on Credit Card Use) Bill 2020
- Senate Standing Committee on Community Affairs – Social Services Legislation Amendment (Strengthening Income Support) Bill 2021 March 2021
- Treasury – Joint Submission from the Financial Counselling Sector: Draft Legislation – Consumer Credit Reforms
- Treasury – Insolvency Reforms to Support Small Business
- Telecommunications Industry Ombudsman – Modernising the Telecommunications Industry Ombudsman Terms of Reference
- Treasury – Pre-Budget Submission 2020 – 21 Budget
- ASIC – ASIC Consultation Paper 330 – Using the Product Intervention Power re Continuing Credit Contracts
- House of Representatives Standing Committee on Social Policy and Legal Affairs – Inquiry into Family, Domestic and Sexual Violence

Appearances before parliamentary committees

- Joint Select Committee on Implementation of the National Redress Scheme (September 2020)
- House of Representatives Inquiry into Family, Domestic and Sexual Violence (November 2020)
- Senate Economics Legislation Committee, National Consumer Credit Protection Amendment (Supporting Economic Recovery) Bill 2020

Reports

- April 2021 – Telcos and Financial Hardship: Feedback from the Frontline
- February 2021 – Save Safe Lending: The Views of Financial Counsellors about Proposals to Wind Back Responsible Lending Laws
- August 2020 – Money on Your Mind: Financial Counselling and Mental Health
- July 2020 – Rank the Banks (and other creditors) 2019

Industry and Government Consultative Fora

We were involved in the following groups.

- ASIC Consumer Advisory Panel
- ACCC Consumer Consultative Committee
- AER Consumer Consultative Group
- ABA Consumer Outcomes Group
- AFCA Consumer Advisory Panel
- Telstra CEO Roundtable
- IAG CEO Roundtable
- Westpac Vulnerable Customer Council
- Commonwealth Bank Community Council
- TIO Consumer Panel
- AFSA Personal Insolvency Stakeholder Forum
- Telstra Financial Assistance Forum
- CBA – Indigenous Community of Practice Working Group
- WIRE Women’s Financial Capabilities Program Working Group
- Origin Consumer Advisory Panel
- Social Ventures Australia – First Nations Funerals Product
- Energy and Water Ombudsman NSW Forum
- ASIC – Indigenous Outreach Program Engagement Strategy
- Services Australia – Civil Society Advisory Group

Various FCA staff also attended a number of meetings with individual banks, finance companies and other creditors.

Media releases

We issued 39 media releases.

Measuring up to our Goals

This section is a summary of progress against the goals in the FCA strategic plan. The four goals have effectively remained unchanged since our first strategic plan in 2009. What does change is what we are doing to progress them.

Actions	Achievements	Assessment of Progress	Next steps
Increase access to financial counselling			
We continued to work with the government to progress industry funding of financial counselling (consistent with recommendations of the 2019 Sylvan Review of financial counselling).	We remain grateful to all stakeholders involved – the government, banks, insurers, utilities and telcos – but a final model has still not been agreed.	We didn't make as much progress as we wanted.	<p>We will continue to work with government to simplify the industry funding model.</p> <p>Financial counsellors will collect data about where they spend their time and we will use this to inform the split between industries in the proposed funding model.</p>
We delivered the Small Business Debt Helpline	The Helpline increased access to financial counselling for small businesses with debt issues. It also helped lift the skill levels of our sector to work more effectively with small businesses.	We delivered everything we set out to, but we had capacity to answer more calls.	As the Helpline becomes better known, and covid supports reduce, demand is increasing. We are making the case to Government to continue the Helpline.

Actions	Achievements	Assessment of Progress	Next steps
We piloted chat on the National Debt Helpline website	The chat function increased access to financial counselling.	We delivered everything we set out to do.	We are able to fund this service for the coming financial year, so that it is available across Australia. Not all NDH agencies have the capacity to staff it however. Funding in the future is uncertain.
Build and support the profession			
We delivered the paid intern project.	Students were supported to undertake their Diploma of Financial Counselling, learning on the job and increasing the number of financial counsellors.	We delivered everything we set out to.	This project has finished.
We delivered the Steps program	Students were supported to complete their work placement in a virtual financial counselling agency.	We delivered everything we set out to.	This project is continuing in 2021-22, albeit with a smaller cohort of students. The focus is on rural and remote students.
We offered counselling sessions and mental health webinars to financial counsellors through our Employee Assistance Program with Access EAP.	Financial counsellors were supported to look after themselves and their colleagues, which was particularly important during and after the COVID-19 pandemic.	There was positive feedback from participants about the webinars.	This work is continuing.

Actions	Achievements	Assessment of Progress	Next steps
We delivered training online and adapted our resources for financial counsellors to suit an increasingly digital environment.	Skills and capacity of financial counsellors increased, particularly during the COVID-19 pandemic when people worked from home.	There was positive feedback from our sector.	This work is continuing.
We negotiated a special arrangement with DocuSign so that agencies could obtain digital signatures from clients on the client authorisation form.	The system was used over 5,000 times. It enabled financial counsellors to deliver services by telephone or video and increased efficiency.	We delivered everything we set out to do.	We will be able to offer this service again in the coming financial year, but may not have the funding to do so in the future.
Raise the profile of financial counselling			
We promoted the NDH on cabs, buses, in medical clinics, on social media, and a range of other channels.	Websites visits to end of June at 202,425 up from 163,843. Social media followers of 1,312 up from 443. Many of our social media videos had great engagement – some have between 2,000 - 4,000 views.	We have increased awareness of the NDH and financial counselling, making good use of our resources.	We will continue with social media promotion. We will continue to provide digital and hard copy flyers and fact sheets to key stakeholders and organisations.
We continued to engage with the media proactively and reactively.	We are now the 'go to' organisation for many media agencies.	238 media stories published as a direct result of our media engagement and responses to media requests.	Aim for even more pro-active media, especially in relation to our policy priorities.

Actions	Achievements	Assessment of Progress	Next steps
Engaged with key stakeholders and organisations.	Partnership work with Beyond Blue. Strong relationships with other community sector organisations. Engaged with and supported other not-for-profits such as ACOSS.	These partnerships have amplified our reach and allowed us to tap into the expertise of these organisations.	Holding educational webinars with banks, utilities and other consumer facing organisations which may have clients in hardship. The emphasis is on how and when they refer to financial counsellors.
Advocate for fair treatment			
Together with other community organisations, we advocated for the retention of safe lending laws.	The safe lending laws have not been amended at the time of writing.	To date, we have achieved as much as we can.	This issue requires a watching brief.
We continued to advocate for fair treatment (e.g. in gambling, buy now pay later, telecommunications industry, industry hardship responses).	We know that our views are taken seriously by policy makers and we are asked for comment by the media. Some of these issues require long-term involvement from many people to get change.	It's never ending...	We will be guided by our Representative Council about future priorities and approaches.

Farewell and Thank You to our Chair

This year marks the last year as Chair for Carmel Franklin. Carmel has been the Chair of FCA for 12 years, taking over the role in 2009 after the tragic death of our previous chair, Jan Pentland.

Carmel has shepherded FCA, and the financial counselling sector, through a period of significant change and growth. She is wise, kind, calm and professional. FCA is a stronger organisation than when she took the helm and it is in a large part due to her leadership.

On behalf of the FCA Board, FCA Representative Council and financial counsellors, thank you.



**financial
counselling
australia**



Our vision

An Australia with fewer people in financial hardship