



Media Release
30 March 2022

Milestone budget for financial counsellors

Financial counsellors have welcomed a multi-million-dollar funding commitment to the sector announced in the Federal Budget last night that recognises the vital role financial counsellors play in helping people.

“This is a milestone budget for the financial counselling sector,” said Fiona Guthrie, the CEO of Financial Counselling Australia (FCA).

One of the key measures will set up a new funding model for the financial counselling sector that involves voluntary contributions from industry. This will mean more financial counsellors on the ground, able to assist more people.

We thank the industries involved in the first phase of the model and look forward to working with them: financial services providers, telecommunication companies, utility companies and gambling providers.

“We particularly thank Australia’s banks who have played a key coordinating role in bringing the different industries together,” Ms Guthrie said. “We also thank the government for their support.”

An industry funding model was recommended after a funding review by Louise Sylvan AM in response to the final report of the Financial Services Royal Commission. In that report, Commissioner Hayne highlighted the power imbalance between consumers and financial services providers and the need for predictable and stable funding for financial counselling services to redress those imbalances.

The budget initiatives include:

- \$10.5 million over four years covering:
 - \$1.5 million to establish a not-for-profit body to implement the new funding model.
 - Supporting a virtual placement model for financial counselling.
 - Funding to help the sector improve data collection to gauge demand for services.
 - Funding to improve integration between the National Debt Helpline and face to face agencies, so that the NDH can directly book clients for face-to-face appointments.
 - \$2.0 million for chat function of the National Debt Helpline website (previously announced).

- \$2.1 million over three years to help current and former Australian Defence personnel in financial difficulty through The Bravery Trust.
- Funding for financial counselling for communities affected by the floods in NSW and Queensland (exact amount to be confirmed).
- \$2.1 million over 2 years from 2021-22 to extend the Small Business Debt Helpline program operated by Financial Counselling Australia to continue to provide financial counselling to small businesses facing financial issues (previously announced)

“We are thrilled to have such a significant budget commitment for financial counselling and one that sets the sector up for the future.”

Financial counsellors provide free, independent, and confidential help to people in financial hardship. They talk people through their options so they can get back on track financially. They are different to financial planners and advisers.

ENDS

For an interview with Fiona Guthrie contact Maura Angle on 0418 334 121 or email maura.angle@financialcounselingaustralia.org.au