# **Submission to Department of Social Services from the Josephite Foundation**

# **Discussion Paper: Financial Wellbeing and Capability Activity**

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| 1. Strategies to improve the targeting of services. | |
| Q 1.1 | **What impact do you expect restricting eligibility criteria in the manner proposed above will have on your service?** |
| These restrictions will not overly impact on the operations of the Josephite Foundation.  Presently the majority of programs that deliver ER, CFC and Financial Capability already restrict access to people in receipt of an Australian Government social welfare allowance, pension or benefit. However we are of the belief that this precludes a very vulnerable group of people – low income earners in the workforce. This segment of people often experience severe hardship as they cannot access the wide range of support and services available to people in receipt of a social welfare benefits. |
| Q 1.2 | **What strategies can be employed to ensure services are accessible for those that need them the most?** |
| We would recommend that DSS base access to services on Family Household Income being classed as falling into the “Low Income” category of the Median Household Income Levels. This method is being employed by some State Governments to define eligibility to “Affordable Housing Programs”. |
| 1. Strategies to increase service integration. | |
| Q 2.1 | **What would help you to strengthen cooperation with other services (e.g. family support services and job network providers) in your community? What additional support would you need to achieve this?** |
|  | We believe that most community based organisations strive to cooperate and maintain awareness of each other’s programs through attendance and sharing information at regional forums like interagency meetings and community service information days. Having a central organisation like a Neighbourhood and Information Centre that has a comprehensive services directory is beneficial. But essentially most community based organisations have a person centred approach so readily cooperate with each other.  Job Network Providers however generally focus on outcomes which are linked to placements in programs, vocational training and education. Accordingly if referrals to CFC and Financial Capability Coaches, were listed as an approved outcome in their funding agreements, this may strengthen cooperation. |
| Q 2.2 | **What effect will the requirement to formalise relationships with other organisations have on your service? How do you see these relationships working to maximise their effectiveness?** |
|  | This would depend on the number of organisations that would need to enter into formalised relationships in the community. We believe this has the potential to just create unnecessary red tape and place further strain on community based organisations that operate on limited funds.  We believe that development of a national government funded “Community Connect” web based information and referral system would be a better option.  Referrals would then be formally measured and outcomes could be built into the system. |
| Q 2.3 | **Where is integration / collaboration of FWC microfinance services with other FWC services occurring across the country? Is there a way these relationships could be better supported?** |
|  | Where sufficient funding is available to cover wages of microfinance workers (e.g. in NSW where both Federal and State funding is available) these staff are often operating in the capacity of Financial Capability Coaches, Advocates and clearing houses for other services.  We believe a web based system as outlined at Q 2.2 would improve collaboration across the board (not just in FWC).  In NSW there is a noticeable lack of Financial Counselling Services and waiting periods are too long. As this is a crucial part of FWC, more work needs to be done in having CFC more accessible. Perhaps this role needs to also sit with Human Services rather than just with limited numbers of Community Based Organisations. |
| Q 2.4 | **What elements would need to be present to ensure a hub model is successful in your community? What additional support would you need to establish a hub in your community?** |
|  | As pointed out above a national “Community Connect” information and referral system would assist all communities to operate as a connected “Hub” model. Where information about all services was readily on hand and community based organisations could log in and complete any number of formal referrals in a single session for a client. |
| Q 2.5 | **What elements and innovative practices would be particularly key in establishing a hub model in a rural and/or remote service delivery context?** |
|  | I would imagine that where a community based neighbourhood and information centre is not available to administer a “Community Connect” Information and referral System locally that it be administered by local government/councils. Where rural and remote areas do not have services available either locally or as an outreach service, they would be able to search the national system for the closest providers based on the type of support/service required. They would then be able to contact them to ascertain if they are able to support clients remotely, thus collaborating and forming new relationships to provide better service options in these areas. |
| Q 2.6 | **How could Australian Government funding be used differently to better support integration of FWC services?** |
|  | Fund, design and manage a National “Community Connect” Information and Referral System.  Have funding based on outcomes that recognise Financial Capability Building - Not just the traditional outcomes of number of clients being case managed or number of loans written, but take into account budget coaching, referrals to other support agencies/services, advocacy etc.  Where community service providers aren’t available in remote areas, make provision of the services a function of local Government or Human Services. |
| 1. Strategies to support client outcomes. | |
| Q 3.1 | **What strategies can you utilise to support a client to improve their financial and/or employment outcomes?** |
|  | **Analyse** – needs/wants, financial position and level of financial capability.  **Determine** – what support/coaching, services, programs clients need to achieve immediate and future needs.  **Prioritise** – determine level of urgency for all requirements with the client.  **Action** – implement: advocacy, coaching. Provide access to Financial tools, ER or accept application. Refer client to other service providers/agencies including job network and educational facilities. |
| Q 3.2 | **How does your service currently deal with clients who present to your service on multiple occasions? At what point should additional support and requirements apply to repeat ER clients? What form should this take? What barriers do you see in implementing these requirements with your clients? What support would you need to implement such a proposal?** |
|  | Our service provides access to No Interest and Low Interest Loans, so we have many clients who present on multiple occasions and this is generally a good thing as they are accessing responsible finance options. We identify the need for any additional support throughout the application and budgeting process and commence financial capability coaching and advocacy during the course of the initial interview. Where referrals to Financial Counselling, other services and ER are required these are attended to through a very good knowledge of the service providers available in the local communities we service.  We are of the belief that the need for additional support should be identified each time a client accesses ER, but where client return more than twice in a 6 month period they should be required to see either a Financial Counsellor or Financial Capability Coach to further assess clients’ needs and develop an action plan which might include a budget, referral to other services and support or advocacy.  We believe that ER providers should have training in identifying underlying needs of vulnerable people and have standardised guidelines around the provision of ER and FWC. |
| Q 3.3 | **How can DSS better support early intervention and prevention opportunities?** |
|  | The best form of early intervention is to have financial literacy become a mandatory component of the school curriculum.  However in the case of welfare recipients, perhaps clients presenting at Human Services or Job Network Providers with problems managing financial affairs could be asked to attend a financial literacy program as part of an activity agreement.  Additionally it would be great if energy/utility providers had the ability to refer clients for Financial Capability Coaching when they notice clients falling into habitual arrears rather than just letting the debt build up. |
| 1. Strategies to build a strong workforce. | |
| Q 4.1 | **Do ER and CFC/FC workers need to build capacity? If so, how might this be done?** |
|  | Additional funding needs to be allocated to encourage service providers to outreach to more areas either remotely or physically.  Training needs to be made available in how to identify underlying factors that place clients in financial stress, and how to refer clients to appropriate service providers.  Funding also needs to cover training and employment of an increased number of CFC/FC workers. |
| Q 4.2 | **What ‘tools’ do you see as integral to the further development of the FWC services in Australia?** |
|  | The development of a Federally funded, National “Community Connect” Information and Referral system.  ER in the form of EAPA Vouchers.  Where energy usage is particularly high for renters in either public or private rental properties, there should be a funded option for ER, CFC and FC workers to have the property assessed for inefficient wiring/fixed appliances so that recommendations can be made to the landlord for improvements to the property.  Access to No Interest and Low Interest Finance.  Ability to place client in Financial Capability Coaching programs. |
| 1. Strategies to strengthen evidence, improve practice and measure outcomes. | |
| Q 5.1 | **What do you see as the key issues involved in evaluating the FWC Activity?** |
|  | A full suite of person centred outcomes needs to be identified that contribute to improved FWC including addressing underlying factors. Outcomes could be referrals to programs, referrals to services (family support, legal aid, WDO’s etc), undergoing financial capability coaching, accessing no interest or low interest loan providers (not just approved loans), and performing advocacy activities.  Once a suite of outcomes is developed there needs to be a way of measuring these, and we see this as being able to be managed in a National “Community Connect” Information and Referral System. |
| Q 5.2 | **What would you like to see as the main focus of the evaluation?** |
|  | Person centred outcomes which build on FWC. |