

Submission to Department of Social Services

FWC Redesign

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Introduction

South East Community Links welcomes the opportunity to provide feedback to DSS as they reframe Financial Wellbeing and Capability (FWC) Activities in the service delivery context.

South East Community Links delivers the six key FWC activities across Southern Melbourne (SA4):

- Commonwealth Financial Counselling
- Financial Capability
- Commonwealth Financial Counselling for Problem Gamblers
- Emergency Relief (via the CISVic consortium)
- No Interest Loan Scheme
- Step Up Program

We consider ourselves to be an existing hub for FWC Activities.

These programs are delivered within our broader service context, providing support to vulnerable families, older people, young people, men, women and children in our local communities. South East Community Links operates in the most culturally and linguistically diverse community in Victoria. We provide the full suite of Settlement Services for humanitarian entrants and asylum seekers. The FWC Activities are key services for these groups, bringing together crisis response and capability development for prevention.

Our responses to the questions provided are informed by our 45 years of service delivery experience, client data analysis, the current policy context, our Managers' participation in the governance of the relevant peak bodies (CISVic, FCRC, FCA) and our broader commitment to providing high quality, integrated services to the community. We have taken a broad approach to responding to each of the discussion questions as a group rather than address each point individually.

Submission

1. Strategies to improve targeting of services

The proposed restrictions would have a range of impacts. Our primary concerns about restricting service access are:

- **Capability** – restrictions to those who are not in receipt of Centrelink payments is limiting if these restrictions apply to capability programs that seek to prevent financial issues before they develop. This would create a damaging barrier to early intervention and prevention work with those on low incomes. We acknowledge the inclusion of migrants and those who are experiencing family violence; however these are just two of the groups likely to be affected. Young people who are not in receipt of Centrelink payments, for example, are a key target group for current prevention and early intervention work. In our experience Financial Capability programs have less impact with those existing on Centrelink payments who live below the poverty line due to the inadequacy of those payments in meeting basic needs.
- **Financial Counselling** – restrictions to those who are at ‘imminent risk of not being able to pay their debts’ would have a significant impact on the outcomes for people in financial stress. One of the key strengths of the current Financial Counselling approach is that Financial Counsellors are able to offer supports and interventions earlier in the financial crisis. This prevents the crisis escalating to the point where homes are lost, jobs are lost, violence occurs in the home and mental health deteriorates. The approach of the current Financial Counselling sector and financial services industry more broadly, implores people to act early to address financial stress before it becomes a crisis and options become extremely limited. We would be very concerned about the impact for clients if the proposed restrictions moved away from this critical message.
- **Emergency Relief** – the proposed restrictions must have flexibility in the delivery of ER; it is essential that the definition is broad enough to provide for people who find themselves in a situation where they need to choose between paying a debt such as their utility bill and buying food for the family. ER is a finite resource that is limited to meet the most basic financial support needs of individuals and families who are unable to meet the basic costs of living due to unexpected emergency or structural disadvantages. Delivered by limited paid staff and supported through our skilled volunteer workforce the ER program exists to reach the most disadvantaged in our communities.

2. Strategies for service integration

Any move to encourage increased collaboration and integration across service delivery is welcomed by South East Community Links; however we have concerns about the resource impact of developing and managing formalised partnerships without additional resourcing to support this requirement. Collaborative partnerships cannot be measured by formal documentation alone. The effectiveness of

our existing partnerships with Centrelink, Sherriff's Office, Windermere Family Services, etc is best evidenced in the outcomes achieved for clients. These improved outcomes are only achieved through the commitment and willingness of likeminded organisations to work collaboratively.

South East Community Links has developed critical collaborative partnerships with these, and many other, relevant service providers for the benefit of our local communities. Three of these partnerships became integrated to the extent that a successful merge was realised in 2015 between Springvale Community Aid & Advice Bureau, Dandenong Community Advisory Bureau and Southern Ethnic Advocacy & Advisory Council. As a result of this merge, South East Community Links has become a hub for FWC Activities providing six activities under the model across three service locations.

Financial Capability and wellbeing can only be achieved for vulnerable people through supported and ongoing knowledge and skill development. A critical success factor in our delivery model is the integration of broader community support services with the FWC Activities. South East Community Links is able to maximise the value and impact of FWC funding through this approach, ensuring specialist FWC staff are supported by generalist case workers to meet the growing need and complexity of our clients. This is only possible due to the significant flexibility in the current FWC agreements and the ongoing commitment of DSS to fund a diverse range of place based organisations to deliver the suite of key FWC programs.

3. Strategies to support client outcomes

South East Community Links has built our service delivery framework on a fundamental acknowledgement that social and economic inclusion is the only pathway to an independent life. We also acknowledge the need for stability across key life areas such as housing, family relationships, health and finance before education and employment goals can become realistic, achievable and sustainable.

Increasingly, we are building education and employment messages into our daily interactions with clients. We seek to understand the current engagement, and limitations to participation, in education and employment from the time of client registration. We work with clients to develop their pre employability life skills at each interaction, whether they are seeking Emergency Relief, Financial Counselling, youth and family support, settlement support or more general assistance to complete a form. Through ongoing support and critical conversations, we are able to develop the confidence and knowledge of clients to embark on the pathway to sustainable employment. Clients are linked to JobActive providers via our partnership with Centrelink and we often assist clients to increase their connection with their provider by advocating for increased support to match the client's needs.

The role of FWC with clients once employment is obtained is important in ensuring the changing financial pressures of having an income is managed well. Once employed income is at risk from creditors and it is important that support is available for clients to reset financial management plans. Financial Counselling and/or Financial Capability are critical in assisting clients to develop their

money management strategy and structure to address debts and bills as a protective factor in maintaining employment.

SECL would welcome greater engagement with our service from JobActive providers who have the additional expertise and resources to provide people with supports towards education and employment goals. Strong encouragement from government for JobActive providers to engage and collaborate with the broader community support service system would be appreciated. Our efforts to work more collaboratively have been met with resistance. SECL recognises that unemployment is a complex and multifaceted problem that requires strategic cooperation of business, government and the community sector, and a range of responses are required. We acknowledge the importance of collaborating with, rather than duplicating, existing service responses.

Many repeat users of ER are unable to work due to illness, disability or age and are among the most frugal of money managers. We experience clients who are ashamed and embarrassed about needing support. A framework for consistency of approach would be useful however there is a need to be mindful of the potential to deter people from seeking assistance through a model that requires demonstration of their attempts to make fixed low incomes go further.

Our integrated model allows for ER to be a doorway to other services. Volunteers are trained to identify other issues that may be impacting on a person's financial well being and link the person to our generalist case worker who can then work more intensively to address underlying causes. We have found this approach has seen a reduction in the number of repeat ER users. This has been made possible through DSS allowing a percentage of ER funding to be used for generalist case work. We would recommend that the percentage of ER funding able to be used for generalist case work be increased to facilitate early intervention and reduce dependency on ER.

We would also recommend that weighting be given in DSS ER formulas for areas that have higher low income populations from non-English speaking backgrounds to enable payment for interpreting services through that program. This would assist greatly with early intervention and prevention for those clients who are doubly disadvantaged by being on a low income and struggling to understand Australian financial systems.

4.0 Strategies to build a strong workforce

SECL would welcome additional resources to build capacity and capability within staff and volunteers that deliver the FWC activities.

We are aware that the financial counselling sector has done much to develop and drive workforce development and continuity. This involves engagement with RTO's to raise the standard of Diploma delivery and the national training strategy that promotes quality training and supervision for financial counsellors through State and National Peaks and the implementation of national standards for registration. There are networks, conferences and forums where best practice strategies and techniques are shared and developed. This work has been supported by government and industry and SECL encourage continued support and resourcing of this approach as these Peak bodies work to provide training to financial counsellors to assist them in their work with clients in navigating the complex world of financial service systems, legislation, codes of practice and how they sit alongside

short and long term financial hardship in addressing the complex financial situations of individuals and families that are impacted by family violence, gambling, health issues and unemployment.

We recommend the ongoing development of financial capability activity and associated training frameworks as financial capability work continues to grow as an important early intervention program of the FWC. Much can be learnt from the financial counselling journey in this regard, and tools that clearly explain the difference between financial counselling and financial capability would be useful in promoting understanding of each activity.

Alongside workforce training, useful tools for delivery of FCW activities are the availability of resources to assist people who are transitioning into employment and the ability to access information in languages other than English.

An increase in the availability of training opportunities for staff, volunteers and students who deliver the key ER component of FWC is needed. In Victoria we are fortunate to have CISVic and a small number of local organisations to assist us in this regard. Similar peak bodies to CISVic across the country working collaboratively in this space would enhance consistency of training and service delivery to communities across Australia.

We appreciate the responsibility of government to ensure that the public purse is well spent, however 1 year contracts and changing service providers does have an impact on the quality, consistency and access to services for clients. In SECL's experience retaining a well trained, capable workforce goes beyond training and professional development. While these are key elements they sit alongside providing good working conditions, robust supervision and support and manageable workloads with the ability to have variety of work to prevent burnout. Organisations like South East Community Links, who are committed to the ongoing development of the sector and improved outcomes for clients, invest heavily in the broader capabilities of every staff member. This investment is often lost at the turnover of each funding contract. The uncertainty of funding at both State and Federal levels is a key driver of workforce instability. Shorter term funding agreements also make real service integration even more challenging, with service providers unable to plan their service delivery frameworks into the future. We would recommend a minimum of 5 year funding contracts with a CPI component included to address this.

5. Strategies to strengthen evidence, improve practice and measure outcomes

Future evaluation approaches need to orient around tools and frameworks that combine to give a clear picture of the impact of FWC activities in the context of the 'whole client'. Robust data collection that mirrors the complexity of client circumstances and the combination of interventions to support them to achieve change is critical. Outcome oriented evaluation should seek to measure both the immediate client service benefit and experience while tracking the longer term impact of services provided. When working towards financial wellbeing and resilience, the longer term impact of capability building interventions is highly valuable. This requires an approach to measuring and tracking the 'from-what-to-what'.

The key issues involved in future evaluation of the FWC activity are:

- How the evaluation of the FWC activities will fit within the broader DSS funded community support service system to measure overall client outcomes and impact in the proposed integrated model. An expectation around service integration, acknowledging that no individual is just one issue, is at odds with the current approach to evaluating the impact of FWC activities.
- Score system requires revamping. 1 – 5 ratings are useful only if the client is the one scoring their own experience
- Score does not presently include a longitudinal capability to assess impact of FCW interventions beyond the lifespan of the episode
- The cost of technology to use with clients to facilitate use of evaluation tools (e.g. iPads) is limiting in the current funding model

South East Community Links welcomes any opportunity to work with DSS to develop evaluation frameworks to build an evidence base for effective integrated FWC service delivery.