



St Vincent de Paul Society
NATIONAL COUNCIL *good works*

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Submission to Department of Social Services
***Financial Wellbeing and Capability Activity
Discussion Paper***

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Introduction

The St Vincent de Paul Society National Council welcomes the opportunity to provide feedback on the Commonwealth Department of Social Services consultation on the Financial Wellbeing and Capability Activity.

The St Vincent de Paul Society (the Society) is a respected lay Catholic charitable organisation operating in 149 countries around the world. Our work in Australia covers every state and territory, and is carried out by more than 65,000 members, volunteers, and employees. Our people are deeply committed to social assistance and social justice, and our mission is to provide help for those who are marginalised by structures of exclusion and injustice. Our programs assist millions of people each year, including people living with mental illness, people who are homeless and insecurely housed, migrants and refugees, women and children fleeing violence from men, and people experiencing poverty.

The Society provides an array of support services for people experiencing financial crisis and hardship, including emergency relief (ER), financial counselling, and financial capability services – referred to collectively as ‘Financial Wellbeing and Capability’ (FWC) services. In addition to Commonwealth funding, these services receive funding from state and territory governments, philanthropic sources and charitable donations.

The Society is committed to social justice and overcoming the causes of poverty and inequality, and it is through this lens that we have reviewed the Department of Social Services (DSS) Financial Wellbeing and Capability Activity Discussion Paper.¹ As one of Australia’s largest providers of FWC services, the Society’s staff, members and volunteers regularly come into contact with Australians experiencing financial hardship and social exclusion. This submission is informed by the insights and expertise of our staff and members, and draws on feedback from those directly involved in providing ER and financial support services across Australia. It also reflects our organisation’s commitment to delivering ER and financial support services in a way that maintains dignity, upholds privacy and encourages self-determination.

The current review of FWC services comes at a time of heightened financial hardship in many areas, and increased demand for services and support. While income support payments have fallen further behind rising costs of living, the crisis in affordable housing and the growth of insecure, casual and part-time work has intensified the financial pressures for many individuals and families. In addition to substantial reductions in Commonwealth funding to community health, homelessness, housing, and legal assistance, the FWC sector has undergone substantial changes in recent years, including significant funding cuts. At the same time, many of our frontline workers have reported that the complexity and level of need of those seeking assistance has deepened.

Given this context, we welcome the current DSS consultation and see it as an opportunity to strengthen, rather than diminish, FWC services. Increasing the capacity of these services requires a focus on many of the areas identified within the Discussion Paper – targeting those most in need, strengthening collaboration, enhancing impact, supporting workforce development and improving the evidence base.

However, while we firmly support these objectives, we have a number of reservations about the specific proposals outlined by the DSS. In particular, the Society does not support narrowing the eligibility requirements for FWC services. We strongly recommend that universal access to ER services be retained to avoid excluding vulnerable people and potentially leaving the most disadvantaged people in our community in a dire state of financial crisis. In addition, we do not support the proposal to mandate service integration or referrals, particularly if this involves FWC providers being “contractually required” to establish formal relationships with jobactive providers.

A further overarching concern is the failure to acknowledge the structural disadvantages that contribute to the financial hardship of those seeking support from FWC services. Poverty rarely exists in a vacuum, and many FWC clients contend with a myriad of issues and barriers that impact on their wellbeing and compound the disadvantages they experience. Resolving these issues cannot be left to FWC services alone and should not be the basis upon which the value and performance of such services are measured. Urgent and multidimensional reform is needed to address the underlying causes of poverty and reduce the demand placed on FWC services. From the Society’s point of view, this is a significant omission in the Discussion Paper.

Our concerns about the specific measures in the DSS Discussion Paper, and about the structural drivers of financial hardship, are elaborated on in more detail below.

Acknowledgement of the causes of poverty and inequality

It is essential proposals for redesigning the FWC take into account the structural inequities that contribute to financial hardship, such as unemployment and underemployment, lack of access to affordable housing, and the inadequacy of the income support system.

Universal access to FWC services ensures the Society can provide immediate assistance to people in crisis. This is essential at a time when high housing costs are the biggest source of financial stress for low-income households, with the majority of those in housing stress in private rental.² In many cases, access to FWC services can help prevent homelessness, which affects over 105,000 people on any given night in Australia.³

The fact that most ER recipients are women, and that most of these women are low-income single parents, does not surprise us.⁴ A succession of funding cuts to income support and family assistance have disproportionately impacted on single-parent households.⁵ Around 2.99 million people in Australia are living below the poverty line, including 731,000 children.⁶ The Society and other community service sector providers are struggling to meet the needs of the most vulnerable. This is due in part to reductions in funding in excess of \$1.5 billion over the last three Federal Budgets. These cuts have had a profound impact on a range of services that support the most vulnerable and disadvantaged in our communities, including homelessness and housing services, ER, financial counselling, community health, asylum seeker and refugee services, services for disadvantaged and at-risk youth, and Aboriginal and Torres Strait Islander programs.

The Society strongly rejects the assumption that the repeated use of FWC services reflects an individual's income mismanagement or their lack of financial literacy. While financial literacy and budgeting may be factors for some, the primary drivers for financial hardship are structural in nature and include the rising costs of living, a lack of secure full-time jobs, and a shortfall in affordable housing. Critically, it is income *inadequacy* – rather than income mismanagement – that is the most pervasive cause of financial hardship, and this has been exacerbated by the pitifully low rate of income support.⁷ The base rate of the Newstart Allowance has not been increased in real terms since 1994, and Australia now has the second lowest unemployment benefit in relation to average wages in the OECD.⁸ In our members' experience, people on low incomes are often adept at stretching their finances; sadly, many go without meals, forgo heating and medications, and use lighting sparingly because income support payments are simply too low (as illustrated by *Case Study 2*, below). The aforementioned issue of extreme housing stress and the increasingly complex needs of people living in poverty also drive people to seek FWC services.

Among those seeking assistance from the Society are a growing number of people experiencing insecure work or underemployment, also referred to as the "working poor". In a climate of wage stagnation and growing wage disparities, and where the trend is towards increasing levels of underemployment and insecure work, there is a growing and unmet need among people who may have some form of employment, but who are nevertheless unable to meet the costs of living. To exclude people from FWC services on the basis that they are employed or not receiving income support would therefore exclude a significant number of people who urgently need assistance.

Recognising the various structural causes of poverty and inequality, and the impact of Government policies in other domains and sectors, are central considerations in designing and evaluating FWC services. And it is against this backdrop of poverty and growing inequality that the Society has responded to the specific measures proposed in the DSS Discussion Paper.

Response to specific measures

1. Targeting of services

In its Discussion Paper, DSS propose restricting ER and Commonwealth financial counselling services to people who are at imminent risk of not being able to pay their debts. DSS also proposes that financial capability services be restricted to people who are receiving Commonwealth income support, those experiencing domestic and family violence, or people who are immigrants or non-citizens.

While the Society supports needs-based service delivery, we oppose these proposals and do not support a tightening of eligibility criteria for FWC services. We recommend that DSS retain universal access to these vital services.

FWC services are an essential form of assistance that is delivered by the Society's financial counsellors, frontline staff and volunteer members. An integral part of this service mix is home visitation, which involves volunteer members visiting people in their homes, directly witnessing the hardship that households endure and making sure support goes to those in the greatest need. Across these various contexts of service delivery, our members and staff already target and tailor services based on systemic trends, local community needs, and the specific configuration of issues and needs that individuals present with when accessing support. As some of our service providers in Western Australia noted, the demand for support services outstrips supply, and those providing ER allocate support based on a direct understanding of the specific configuration of issues that individuals and families are contending with:

Notwithstanding our large volunteer base, our diversity of funding sources and the support of the infrastructure, the Society is unable to meet the needs of all of the people who seek our help. [We] have a finite amount of resources, both financial and volunteers. As with any rationing process the Society encourages the local Conferences* to decide how best to meet the needs of their community within those constraints and the Society's emergency relief framework. Thus they form their own criteria for determining who to assist. The Society's head office does not believe it is in a better position to judge who should receive priority. Head office doesn't visit the client in their own home, doesn't see how the children in the house are going without, doesn't feel that lack of a warmth in the house on a cold evening nor see that the clothes that the children wear are ill-fitting, worn and inadequate. As a whole, the Society adopts the principle of subsidiarity; that is, we encourage that those decisions are made by Society members in that local community.

In addition to understanding the specific configuration of issues faced by individuals and families seeking assistance, sufficient flexibility needs to be built into service delivery models to accommodate shifting levels of demand. The nature and degree of demand often fluctuates seasonally and according to wider policy developments, downturns in the local labour market and economy, and shifting demographics. For example, some services operating in metropolitan areas have experienced spikes in demand due to influxes of asylum seekers, while some regional services are facing heightened demand due the downturn in the mining industry, the demise of large industry employers, or prolonged drought. Other services have reported increased demand due to changes in

* Within the St Vincent de Paul Society, a 'Conference' refers to a grassroots group of members who meet regularly and voluntarily dedicate their time and resources to helping those in need. A Conference can be established within any community such as a parish, town, suburb, school, university, workplace, ethnic or social group, providing they are endorsed by an appropriate Council within the Society. Central to their work is visiting people in their homes, in hospitals, institutions or wherever else they may be found needing aid or comfort.

Government policy that have restricted access to income support and the expanded Centrelink's debt recovery program. To adapt to these variations in demand and the specific constellation of issues that individuals present with, it is important services retain sufficient discretion and flexibility in determining the nature and extent of support they provide.

The specific eligibility criteria proposed by DSS is also deeply problematic. Restricting services to people at imminent risk of defaulting on their debts would exclude a significant number of people experiencing financial hardship. Unmanageable debts are not the only reason why some people seek ER and/or financial counselling. While the causes of financial hardship vary, for many it is not accumulated debts but rather the difficulties of meeting recurrent living expenses, such as the costs of housing, medical expenses, utilities bills, food and transport.

Similarly, the DSS proposal to restrict FWC services to those in receipt of an Australian Government social welfare allowance, pension or benefit ignores groups who may not fit this criteria, but who may nevertheless experience financial hardship. Restricting eligibility to those without employment is particularly problematic given the marked increase in underemployment and insecure work, and the discernible increase in "working poor" that are seeking assistance from our frontline services. ACOSS recently reported that around a third of those in poverty live in a household where there is a wage earner,⁶ and recent statistics from the No Interest Loans Scheme (NILS) reveal an increase in the number of loans provided to people receiving wages. Excluding people on the basis that they are in some form of employment would, therefore, force services to turn away vulnerable people experiencing financial stress. This would also impact on the children living in families that are turned away.

In addition to excluding people who are financially vulnerable, DSS proposals to restrict eligibility may have several unintended consequences. Imposing a high threshold for financial hardship is counterproductive because it reduces the opportunity for early intervention and preventing problems from escalating. Research has shown that the sooner people make contact with FWC services, the better the outcome in terms of resolving any debts, easing their financial problems and improving their overall wellbeing.^{9,10} Waiting for problems to escalate before intervening typically results in people experiencing more complex and entrenched issues, such as homelessness, loss of assets, and/or health problems. This in turn increases downstream service costs and places an additional burden on other service sectors, requiring more intensive interventions either from the Society or other government agencies and community sector organisations.

Among its proposals, DSS has specified that FWC services would be directed towards people experiencing domestic and family violence, and immigrants or non-citizens. While we recognise these groups are at heightened risk of experiencing financial hardship, eligibility criteria should not be narrowed to preclude others who are also in need of support. Such blunt eligibility criteria also do not accommodate geographic variations in the demographics, distribution and level of need, nor does it allow services to be responsive to fluctuating or emerging areas of need. Of particular concern, we note that the list of eligible groups proposed by DSS omits Aboriginal and Torres Strait Islanders, who are one of the most excluded and economically marginalised groups in the community. Those leaving prisons, the child protection system or other forms of institutionalised care are also particularly vulnerable and would likely be excluded under the proposed criteria.

Onerous eligibility criteria also do not take into account the range of circumstances of people who seek assistance, and the difficulties they may face in demonstrating their eligibility and meeting evidentiary requirements. The Discussion Paper produced by DSS does not specify what specific

evidence people will need to prove they are receiving income support, are at imminent risk of defaulting on debts, are experiencing family violence, or are an immigrant or non-citizen. In the Society's experience, some of the vulnerable individuals who are most in need of help – for example, those who are chronically homeless, experiencing severe mental illness, lacking language literacy, or disengaged from service systems – may not necessarily have the relevant documentation at hand and find the process of demonstrating their eligibility intimidating.

Similarly, women who are fleeing domestic violence may not necessarily have the relevant documentation at hand and, while they may not be facing imminent bankruptcy or debt defaults, they may lack access to cash, bank accounts, or liquefiable assets. There is compelling data demonstrating that people who experience domestic or family violence are much more likely to encounter financial hardships, and financial insecurity has been identified as a common reason why women stay in abusive relationships.^{11,12} In such circumstances, access to ER or other financial support services can be crucial, and it is imperative eligibility requirements do not become a barrier to receiving timely support.

One of the central considerations in the delivery of FWC services is providing assistance in way that is non-judgmental, respectful and maintains the dignity of those experiencing hardship. Those who are the most isolated, socially marginalised and financially vulnerable do not always access services in a timely manner. Delivering services in a manner that is flexible, welcoming and non-stigmatising is paramount in successfully engaging these harder-to-reach individuals and families, and this can include providing outreach services, “soft entry” points, and service environments that are non-threatening, inclusive and informal. It is important eligibility criteria, and the bureaucratic processes that such criteria would necessitate, do not detract from efforts to engage with the most socially marginalised and vulnerable individuals and families. Intrusive assessment and documentation requirements at the point of service delivery can deter people from approaching services, thereby undermining efforts to engage with more hard-to-reach individuals and families. Such bureaucratic requirements detract from the flexible, informal and inclusive approach that our members and service staff strive for when assisting those most in need.

Prescriptive eligibility criteria will also place a greater administrative burden on service providers, shifting resources away from the direct provision of services. Instead of being able to focus on rapidly assisting a person with their identified needs, organisations will need to divert resources away from service provision to undertake eligibility assessments and compliance activities. This poses particular administrative and operational challenges in a context where services rely on funding from diverse sources. Providers would need to introduce complex administrative arrangements in order to differentiate between clients who are supported by restrictive Commonwealth-funded services, and services that are supported by less prescriptive and flexible sources funding such as other tiers of government and charitable donations.

The Society recommends that DSS adopt a more inclusive approach to redesigning FWC services. Flexibility needs to be built into service delivery models to enable services to match the nature and intensity of need of individuals seeking support, and to allow providers to adapt to local circumstances, fluctuations in demand, and emerging areas of need.

2. Service integration

The Society recognises the benefits of strengthening collaboration and the coordination and integration of services. All too often, people fall through the cracks of fragmented and siloed service systems because the connections between services are either absent or problematic, or needed

services are missing all together. For staff and volunteer members working within fragmented and poorly coordinated service systems, more time and energy is typically required to overcome systemic barriers for the people they support. For individuals who need assistance, such service systems can be difficult to navigate and typically fail to provide the holistic support they require. Improving the coordination and integration of services can lead to simpler pathways and more holistic support for consumers, more efficient services, and better and more sustained outcomes.

However, achieving more collaborative or integrated service delivery requires dedicated time and resourcing. Building and maintaining relationships between services involves ongoing communication, staff training, information sharing, and supportive funding arrangements. Also key is consideration around *which* services are included in an integrated model, *how* they are integrated, and whether the proposed model reflects the local context and operational realities of service delivery. What may work in one setting may not be appropriate in another. In some regions, our services have cultivated informal networks with other local providers, enabling collaboration and referrals that are responsive to the specific needs of service users, but delivered in a way that is administratively streamlined, affordable and flexible. In other settings, our FWC services have formalised relationships via MOUs, or have been integrated in a hub-style service. However, while the hub model carries merit and may be effective in some settings (see *Case Study 1*, below), it should not preclude other forms of service delivery that may be more appropriate in certain settings or for certain population groups.

It is important to stress that, across Australia, many critical service sectors (including FWC services) have been subjected to substantial funding cuts at both Commonwealth and state and territory levels. Dependence on the already stretched financial and human resources of the social services system may ultimately limit the success and sustainability of any service integration strategies. Without additional resourcing and support from the broader service system, we believe that system and service level integration will be particularly difficult to implement and sustain in the FWC sector. Sector development and cohesion is a legitimate and necessary pursuit for individual services and the service system as a whole. However, it requires time, resourcing, top-down and bottom-up commitment, and can only be viewed as part of the solution to effective service delivery.

Strengthening integration and collaboration will, therefore, require additional resources and supportive infrastructure. As DSS itself notes, the complexity of client needs has increased markedly.¹³ In our experience, not all people who seek help will be willing, or have the capacity, to follow through on referrals. There will be many who will need a high level of assistance to make it to the referral appointment. This would require either further resources or the diversion of existing resources.

A further challenge in achieving more integrated service delivery models relates to current funding models. Effective collaboration and coordination across service boundaries hinges on relationships between providers, and building and maintaining these relationships is difficult in a context of scarce and short-term funding. In addition, the various service sectors that support people who are financially vulnerable are funded by different levels of government and by different portfolios, each with separate reporting and distinct bureaucratic requirements. The dominance of competitive tendering and voucher-based forms of funding also fosters competition rather than collaboration between services. Likewise, funding services according to discrete episodes of care is not conducive to a more joined-up and long-term approach. Better coordination across different layers of

government and across portfolio boundaries is needed, along with greater funding certainty, longer-term contracts and funding models that encourage collaboration rather than competition.

In addition, it is imperative a one-size-fits-all approach to service integration is avoided, and that there is sufficient flexibility to take into account the local service context, variations in the scale and capability of organisations, available resources, and the legislative and institutional frameworks within which different services operate. In some locations, integrated service delivery is challenging given the geographically dispersed nature of services and clientele, the scarcity – or complete absence – of services to refer people to, and transport difficulties. Feedback from our members suggests that in several areas, particularly in regional Australia, there is a lack of services to refer clients to, and clients typically experience long waiting times. Such regional variations and diverse operational contexts underscore the need for a flexible and non-prescriptive approach. Integrated service delivery can take varying forms and there is no particular model that is considered the gold star model across all locations and service delivery contexts. Instead, we believe that integration needs “to be viewed as a progressive and iterative process along a continuum in keeping with the particular locational needs, sector readiness and local strengths and constraints”.¹⁴

In particular, while the Society welcomes efforts to strengthen service integration and collaboration, we do *not* support a mandated approach to service integration, particularly if this entails organisations being “contractually required” to establish formal relationships with jobactive providers.

The often coercive approach of employment service providers, and their ability to revoke a person’s access to income support, means that some of those who are experiencing financial stress do not trust or do not engage with employment services. In our experience, people accessing jobactive services are often unhappy with the service and treatment they receive – a point that has been documented by the Commonwealth Ombudsmen and by the number and nature of formal complaints made in relation to jobactive providers.^{15,16} We believe that compelling FWC services to integrate service delivery with job agencies would potentially undermine relations of trust with those we support, deterring some people from accessing services and undermining the outcomes we are trying to achieve.

In order for service integration to be successful, it also requires supportive infrastructure and systems-level mechanisms to support networking and referrals. One challenging aspect of this is information sharing mechanisms. While sharing information across systems and organisations can be essential to providing more effective and holistic care, it also carries risks and requires careful consideration. Personal data collection and information sharing systems should be governed by clear laws and protocols, and must not infringe an individual’s ethical and legal right to privacy. People using health and social care services are entitled to expect that their personal information will remain confidential. They must feel able to approach organisations for assistance and, if necessary, discuss sensitive matters without fear that the information may be improperly disclosed or misused. Social services cannot work effectively without trust, and trust depends on confidentiality.

Our services often work with the most vulnerable and socially marginalised individuals, some of whom are disengaged from, or suspicious of, wider service systems and government agencies. There is a risk that informing these vulnerable individuals that their information will be shared with organisations with which they have no relationship or established trust will act as a deterrent to engaging with any support service. On the other hand, some people may be reluctant or unable to give consent to having their personal data shared with other agencies. This may be because they

trust in the system, or because they do not have capacity to consent as a result of disability, mental illness, drug and alcohol addiction or some other reason. In such instances, organisations should not be forced to refuse service to a vulnerable person because that person does not, or cannot, give consent for their personal information to be shared.

While gathering and sharing relevant information can support more seamless service delivery, we also have concerns about the possible misuse of personal data and its potential to underpin punitive and paternalistic approaches, as well as risks to privacy. Such concerns appear warranted given the Discussion Paper's reference to withholding access to repeat users of ER, and making access conditional on fulfilling compliance activities. This approach risks excluding some of the most vulnerable individuals, leaving them to "fall through the cracks" of the service system. We note, for example, that New Zealand's mutual obligation framework that the Discussion paper references has coincided with an increase in the number of extremely vulnerable individuals who have disengaged with the service system altogether, leading to greater hardship and entrenched poverty.

Finally, it is important that the drive for more integrated service delivery does not detract from the value of smaller and specialised local organisations. It is imperative 'mainstream' or generalist service providers are inclusive of different population groups and accommodate the needs of people who are culturally diverse, from Aboriginal and Torres Strait Islander backgrounds, have disabilities, or have experienced trauma. At the same time, we acknowledge the critical role played by localised and specialised organisations which are trusted by the communities they support and often constitute the first point of contact when people experience a crisis. We recognise, for example, the vital role played by Aboriginal-controlled community organisations, ethnospecific agencies, women's refuges, and asylum seeker support services.

These services are embedded in their communities and have the in-depth knowledge and established relationships with vulnerable cohorts who may otherwise be reluctant to approach mainstream providers or larger generalist providers. While building collaborative relationships with these specialised services is crucial, it is important their unique and important role is retained and that they are not subsumed within a centralised service model or reliance on a single access point.

In sum, evidence of the negative consequences of fragmentation, and the purported benefits of collaboration, drive policy aspirations to integration; yet, there are costs to integration and the challenges and limitations of integrated service delivery need to be acknowledged. It is crucial the resourcing implications and challenges of integration are properly considered and factored in when reviewing and designing models of service delivery for FWC services. Importantly, a prescriptive and mandated approach should be avoided, and approaches need to be adapted to take into account organisational capabilities, location, the density and proximity of services, and resourcing constraints.

CASE STUDY 1:

The Society's Conference Financial Wellbeing (CFW) pilot project in New South Wales is attempting to integrate NILS with Conference work and the Budget Counselling program. The CFW framework aims to provide a holistic service to the people the Society assists. It involves total engagement with clients to effectively provide appropriate service and advice. The CFW model seeks to make Conferences (and in some cases hubs) a "one-stop shop" where ER, Budget Counselling and NILS are readily accessible. The intention is that people who receive ER can be assessed and, where appropriate, encouraged to participate in Budget Counselling or apply for a NILS loan. The pilot is already resulting in an increase in referrals for specialised services that are

not available within the Society. Pending the final outcomes and evaluation of the pilot, it is envisaged the Society will implement the integrated CFW framework across NSW.

3. Improving outcomes

In its Discussion Paper, DSS identifies the repeated use of, and dependency on, ER as a central concern. It states that “a sizeable proportion of ER clients have become dependent on crisis services”, and proposes to place limitations on repeat use of ER. The Discussion Paper also suggests that FWC services should focus on supporting clients into employment to improve their financial stability. According, it is proposed that FWC program guidelines are changed to require financial counsellors and capability workers to “address work readiness and employability skills”, and to require “all FWC services to emphasise employment as a key goal when working with clients on Newstart Allowance, and explore pathways with clients to increase employment prospects”.¹

While improving client outcomes is a primary concern for our FWC services, we have significant reservations about the measures proposed in the Discussion Paper. Underlying the proposals to prevent repeated service use is the presumption that financial stress is the fault of individuals and stems from their failure to “reduce their costs, increase their income or improve their financial management”.¹ While repeat ER users have diverse needs, the recurrent factors driving their use of such services is the inadequacy of the income support system, high rates of housing stress, rising costs of living, and gaps in the wider service system. A disproportionate number of those seeking support have disabilities, reside in areas with high rates of unemployment, and live in single-parent households. Many have unaddressed health needs, some live with chronic illnesses, and most are grappling with a host of complex issues. We believe the appropriate response to support this group achieve financial stability is to improve income adequacy (including raising the rate of Newstart and Youth Allowance payments) and to provide more tailored and intensive levels of support – not to impose conditions that restrict their access to the service system.

There is little evidence showing that coercive approaches are effective in encouraging participation and building resilience among people experiencing hardship and social disadvantage. Often, people who require repeat ER support are in a state of extreme stress and crisis, and at the time they access support they may lack the capacity to attend to wider issues. In such circumstances, practical assistance and support is the immediate priority and is vital to alleviating their crisis and stress. To withhold access to such assistance and support will only escalate their crisis and compound their stresses, thereby making it even harder to stabilise and improve their situation.

Arbitrarily restricting repeat use of ER will not improve outcomes and contravenes the principle of needs-based service provision. We believe that ER is a vital element within the social service system, and eligibility to such services must be based exclusively on legitimate need. Other factors should not compromise this primary objective. It should also be stressed that a significant number of those accessing ER are families. A move away from needs-based provision, and making access conditional on meeting requirements such as demonstrating job search activities, would also result in support services being withdrawn from families, thereby deepening the poverty and hardship of children living in financially stressed households. The Society assists our clients on the basis of need, irrespective of whether they have taken steps to improve their financial position, especially where there are children involved. We not believe a more remote entity such as DSS is in a better position to dictate how services should be allocated, nor should it be distributing support services according to an objectionable distinction between the ‘deserving’ and the ‘underserving’ poor.

The Society opposes ‘welfare conditionality’ or ‘investment approaches’ in which access to social services or income support is made conditional on satisfying compliance activities or mandated requirements, such as engaging an employment services provider. We do not believe this approach encourages self-determination. We also do not support the Discussion Paper’s narrow focus on employment outcomes. For individuals experiencing extreme stress and crisis, a mandated discussion about employment may not be inappropriate and would divert service providers from meeting their immediate needs. For example, for a women with children who is fleeing domestic violence, the immediate priority must be securing their safety and providing the material support to meet their current circumstances – not engaging in a mandatory discussion about the mother’s efforts to secure employment. While achieving meaningful and sustained employment is an important goal for many of those we support, we do not believe that ER is necessarily the right site for a mandated intervention. A mandated approach also risks eroding trust and conflicts with the non-judgemental and supportive ethos underpinning our services.

Mandating discussions about employment pathways also neglects the various factors that affect a person’s ability to secure employment, including the availability of work in their region, discrimination from employers, their level of education, the presence of a disability or a physical and mental health condition, their role as a parent or carer, the availability and affordability of transport, and their inability to secure affordable accommodation. FWC services need to have a client-centred focus that takes into account the specific range of issues people are grappling with, and encourages people to identify their goals, including small achievable goals that move towards longer-term goals at their own pace. In our experience, people who have the capacity to work overwhelmingly want employment. Supporting them to gain employment requires the right help at the right time, along with measures to overcome the structural barriers to employment. Accordingly, where appropriate our members may provide support to assist people to improve their employment prospects, and some services already link with employment-related supports where they are well placed to do so. Yet we recognise job preparedness and employment pathways are not appropriate for everyone who seeks FWC assistance (see *Case Study 2*). For this reason, referrals to jobactive or job network services should not be mandated. The jobactive network already receives substantial Government funding, and FWC services should not be forced to duplicate these services.

Rather than focusing on employment, we believe a more holistic framework is required for assessing financial security outcomes. We also do not believe that better outcomes will be achieved through a punitive approach that makes service access conditional on certain compliance activities. It is important that any outcomes framework takes into account the wide array of factors that underpin financial hardship – many of which stem from broader structural conditions and policy settings that lie outside the control of FWC services.

CASE STUDY 2:

Gavin is now on a Disability Support Pension and has now been paying high rent, as the only house he was able to find had three bedrooms. After housing and power costs are deducted, Gavin lives on just \$175 a week. However, \$40 per week of this goes on his medications. He has also taken guidance of financial counselling, yet the underlying problem is insufficient income rather than income mismanagement and he is losing the struggle to pay his bills. Gavin is struggling and has come to the St Vincent de Paul Society several times for help to buy food.

4. Workforce capacity and capability

The Society welcomes a commitment by DSS to fund national organisations to deliver co-ordinated training and development. The Discussion Paper has correctly identified looming workforce challenges, as well as the challenges of working with the growing complexities of clients who seek FWC services. Given this complexity, we support initiatives that build the skills and capacity of ER workers and financial counsellors.

Such training and professional support needs to be tailored to reflect the spectrum of services and specialised skill sets that fall under the umbrella of FWC services. One worker cannot provide intensive support in all areas of need. It is necessary to have a number of specialised workers who focus more intensely on one or two areas of need and to build the capacity of these workers to ensure good quality service, recognising our duty of care to our clients.

While there is a compelling need for greater training and professional support across the FWC sector, particular attention needs to be given to long-standing workforce issues in the financial counselling sector in relation to training, qualification levels and remuneration. We note, for example, that not all jurisdictions have education providers that offer a Diploma for Financial Counselling, and opportunities for professional development are variable. Challenges to the financial counselling workforce also relate to perpetual job insecurity, reduced and short-term funding contracts from government, and inadequate remuneration. These factors have contributed to high staff-turnover, making it difficult to attract and retain qualified and experienced staff, and contributing to major workforce shortages. In addition to investing in training and professional development, maintaining a strong and experienced workforce will require better job security, and adequate long-term funding for organisations delivering such services.

The Society has the additional challenge that the majority of ER is provided by volunteer members, some of whom reside and volunteer in remote locations. It is important that training and support for the FWC “workforce” considers the specific needs and circumstances of volunteers. Funding for the delivery of FWC services should include a component for providing training and support, with the nature and delivery of such support adapted to reflect the skills and circumstances of volunteers, some of whom are not computer literate.

Recognising the diverse nature of the FWC workforce and their varying circumstances of operation, we recommend DSS develop a suite of “tools” to support the training and development of those working in the FWC sector. Our networks offered a range of suggested tools, including:

- Supporting local forums and networks, providing a space where paid staff and volunteers can talk about solutions to local issue, share service responses and information on their resources, and strengthen referral relationships. This would also provide an opportunity to keep up to date with developments in the policy and administrative landscape and to hear from other services and organisations that may be relevant to FWC services.
- Developing a buddy system and/or peer meetings, held regularly in different locations, to assist people to build relationships, develop skills and discuss issues.
- Providing a DSS portal for people to have discussions, post questions and be part of a Community of Practice (CoP) group. For example, ASIC CoP is a good means of sharing information. People who are unable to attend CoP groups could access videos of the sessions posted on YouTube.
- Developing online learning tools, webinars and self-paced learning options (recognising, as above, that such tools will not suit all).

- Compiling case studies to serve as resources for the sector, as well as showcasing best practice for specific areas of work.
- Ensuring that service delivery tools, such as case management and safety and risk templates, are able to be adapted to suit local service delivery needs and groups.
- Developing professional development opportunities to support workers and volunteers to work with specific groups (e.g. Aboriginal and Torres Strait Islander peoples; culturally and linguistically diverse clients; women experiencing or fleeing domestic violence).

5. Measurement and evaluation

Measuring and evaluating outcomes is an important mechanism for monitoring services, assessing whether programs are achieving their goals, and providing a basis for ongoing improvement. However, it is important such measurement and evaluation is based on a clear understanding on what a program's goals are, recognising that different programs fall under the banner of FWC services, and that these programs have different objectives. There are also concerns about the administrative and resourcing burden that can accompany outcomes measurement, and tensions in balancing effectiveness with efficiency. In a context where people's financial situation is shaped by a myriad of factors, there are difficulties establishing causal links between service inputs, outputs, processes and outcomes. Reductionist and inappropriate inferences can be drawn from service-level, and it is important any measurement framework factors in the real-world complexities that shape outcomes.

As indicated, financial hardship and stress are complex and multi-dimensional problems, and many of the contributing factors lie outside the control both of individuals and the FWC services that assist them. The pathways into and out of a financial crisis vary and are shaped by a variety of underlying economic and social factors, such as affordable housing, inadequate income, barriers to participating in the labour market, domestic violence, poor physical and mental health, and community and family breakdown. These factors, in varying combinations, contribute to the duration, frequency, and nature of financial hardship and stress that individuals endure. In this context, there can be challenges in demonstrating that what a FWC services does produces a specific result, when there are so many real-world intervening factors to confound attribution. There can also be questions about the desirability of doing so in quantitative terms, as it reduces a complex reality to something simplistic and one-dimensional.

Various client groups can be transient, so to evaluate changes over a period of time can be difficult. In general, ER is more about meeting immediate need and referring people onto other services, therefore it is difficult to evaluate the long-term benefits of an ER program. The Society welcomes evaluation focused on the impact of service delivery rather than solely the incidence of service delivery, but it is important the less tangible or quantifiable benefits of services are not marginalised or discounted. We query, for example, how DSS plans to ascribe a value to changes in personal wellbeing, building social relationships and gaining confidence. Our networks have stated that improving clients' self-esteem and relational skills are highly significant but are not easily measurable in the terms prescribed by government agencies. Developing trust and positive relationships with socially isolated or marginalised individuals is an important aspect of the many of the ER services we provide, yet it can take time and is not readily captured in performance measurement frameworks that focus on shorter-term, tangible improvements such as employment status.

Performance measurement frameworks often encourage a categorical view of outcomes – either a person is financially secure or they are not. This approach obscures the differing needs and issues faced by individuals, particularly those with extremely complex needs and multiple vulnerabilities. Categorical outcomes measures – especially when linked directly to funding – can create a pressure to ‘cherry pick’ clients who have less complex needs and who are therefore more able to achieve the specified outcomes. A further concern with a categorical view of outcomes is that it does not capture incremental changes, setbacks and amelioration of difficulties that can make a big difference to people’s lived experience of poverty. Progress made by clients is not always linear, as they may be making progress for a while and then regress. Accordingly, evaluation results can be influenced by the timing of the evaluation. While it may be useful to evaluate a client’s situation a year after they accessed a service, this is not always feasible, as stated above.

To strengthen the outcomes for clients, the Society is keen to work with the wider service system to improve collaboration and service integration. This more integrated approach has implications for outcomes measurement. Many of the factors underlying financial hardship and stress are beyond the capacity of individual agencies to resolve, and from this perspective it would be far more effective to measure the collective impact as opposed to the impact made by a single provider. Further, it should be acknowledged that locational factors, such as the availability of other support services and local labour market factors, will shape the outcomes achieved by individuals and the families who seek assistance. Further, evaluation results should not determine organisational funding levels as this goes against the spirit of collaboration that the DSS is attempting to foster.

Finally, any framework for measuring and evaluating outcomes must factor in the skills, resourcing and administrative implications for frontline services. Reporting requirements should not impose an onerous administrative burden for frontline workers and organisations with scarce resources. Many of our services already invest considerable time in reporting outcomes to different governments, different portfolio areas, and funding bodies. Such reporting obligations should not be draining the time workers and volunteers spend assisting clients, nor should they impinge on an organisation’s ability to respond flexibly or innovatively to particular needs.

Conclusion

The Society sincerely hopes the DSS will take this opportunity to strengthen FWC services and ensure they remain inclusive and accessible to all people “at risk”.

The Society provides ER in the short term and financial counselling and capability services for people across Australia. These services are a vital element in the support services sector, but the problems they respond to stem from wider structural issues and policy shortcomings, such as housing stress and the inadequacy of the income support system. People who are affected by these various structural and policy drivers of poverty should not be penalised or turned away if they seek assistance on more than one occasion. Nor should people’s access to such services be restricted on the basis on narrow eligibility requirements.

The Society welcomes further consultation and looks forward to working together on building a strengthened and responsive FWC services sector.

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