



# Financial Wellbeing and Capability – Discussion Paper

## Indigenous Consumer Assistance Network Ltd

### Strategy 1 - Targeting of Services

#### *Questions for discussion*

##### **1.1 What Impacts will it have on our service.**

- It would prevent us to being able to deliver Yarnin' Money to Indigenous people who are currently earn money, preventing an opportunity to counteract intergenerational financial exclusion.
- Would need to have a better understanding of 'imminent risk'.
- This would have a big impact on the scope and breadth of what financial counselling is.
- Would impact on agencies, preventing them from being able to offer the Tax Help service.
- Restricting financial counselling to "those a imminent risk of not being able to pay their debts" - minimizes and reduces the scope of financial counselling;
- Restricts the negotiating platform of financial counsellors, if clients present to FCs.
- Diminishes financial counselling service, opens up predatory alternatives such as credit repair agencies, where large fees attached;
- Narrows the financial counselling practice framework
- Makes delivering a 'wrap-around service approach' difficult if the definition of financial counselling service provision is narrowed.

##### **1.2 Strategies**

- Don't place restrictions on who can access financial counselling
- It's best left to the financial counselling sector charter on whom they provide service to;
- Best left to the organisations who deliver frontline services



## Strategy 2 – Increase service integration

### *Questions for discussion*

#### **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?**

Competitive tendering has a direct impact up on how services are able to work together. The competitive nature of funding can sometimes create an environment where there is an element of protectionism (protecting your own patch). This is not unlike any other sector.

The best partnerships come between organisations that aren't competing for the same funds. In the financial counselling space this could be with, Microfinance (Resilience), Emergency Relief, EDR schemes, consumer regulators, industry and social services that compliment financial counselling.

Example:

*The NQ Consumer Taskforce is a community driven partnership between government consumer regulatory bodies, external dispute resolution schemes and financial counselling and community legal services throughout North Queensland. The concept for the Taskforce was developed and is administered by the Indigenous Consumer Assistance Network (ICAN) with the vision of improving inter-agency communication and increasing collective action to reduce consumer exploitation; empowering consumers from Townsville to the Torres Strait Islands.*

*The success of the Taskforce model has led to the joint development of innovative consumer campaigns like the 'Do Not Knock Town' initiative and driven a number of high profile enforcement actions against exploitative businesses. Taskforce partners include the Australian Securities and Investments Commission, Australian Competition and Consumer Commission, Queensland Office of Fair Trading, Energy and Water Ombudsman Queensland, Department of Social Services, Cairns Community Legal Service, Shelter Housing Action Cairns and ICAN.*

#### **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?**

Our organisation uses the Yarnin' Money (financial capability program) to build financial counselling referral relationships with complimentary organisations. The Yarnin' Money (Service Provider Course) upskills community service workers to be able to apply financial first aid and refer to appropriate financial counselling services and also take on an intermediary role with the Financial Counselling Service. This is particularly important when working with limited resources over a large geographical area.

#### **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?**

The Queensland government recently launched Good Money Stores on the Gold Coast and Cairns. The Cairns Good Money Store will partner with ICAN to deliver a holistic FWC services. ICAN's headquarters and the Good Money Store are located within 50 meters of each other and surrounded by exploitative pay day lenders and consumer lease businesses. The partnership between ICAN and Good Shepherd allows consumer to access affordable finance whilst making informed financial decisions. It is hoped that ICAN will be able to funnel NILS application to Good Shepherd from our serviced areas in Palm Island, Yarrabah, Cape York and the Torres Strait Islands.

The North Queensland NILS network has also been a successful model in the region with 12 organisations meeting quarterly to coordinate service delivery, promote program activities and foster community engagement. The NQ NILS Network is a great example of diverse organisations working together to deliver complimentary FWC services.

**(See attached Wrap-around Service Community Service Approach to Financial Wellbeing)**

### **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?**

From an ICAN perspective we believe that the best HUB model is when specialist organisations collaborate their expertise to provide the best quality service for their shared clientele. This approach has the added benefit of increasing access points to a range of services over a vast geographical region. With the introduction of QLD state funding to support existing federal funding; the coming year this will provide opportunities for greater collaboration to strengthen this HUB approach, including further development of the NQ Consumer Taskforce, NQ NILS Network and Good Money Store partnership.

### **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?**

Our organisation uses the Yarnin' Money (financial capability program) to build financial counselling referral relationships with complimentary organisations in regional and remote communities. The Yarnin' Money (Service Provider Course) upskills community service workers to be able to apply financial first aid and provide guided referrals to appropriate HUB partner services, for example access to NILS, Emergency Relief, Financial Counselling and consumer advocacy.

ICAN is currently working with various Network Partners to develop specialised units for a Train-the-Trainer Yarnin' Money program that can be used to scale this model of service delivery to other regions of Australia. DSS has provided \$12,000 to trial this training delivery to a FWC program in the Gulf of Carpentaria, this process will be evaluated by our research and communications team.

### **2.6 How could Australian Government funding be used differently to better support integration of FWC services?**

In the tendering process agencies would need to be able to demonstrate and officially commit to wrap around service delivery models or network HUB. One agency delivering all services presents significant risk and reduction in access point for perspective clients. Please see attached NQ Consumer Taskforce Terms of Reference DRAFT as a formalised example how



agencies can work together.

## **Strategy 3 – Support client outcomes**

### *Questions for discussion*

#### **3.1 What strategies can you utilise to support a client to improve their financial and/or employment outcomes?**

The interaction between Job Network Agencies and FWC services should be limited to financial capability work in the first instance with the ability to refer to financial counselling services as a second financial crisis option to address credit and debt issues that may prevent someone entering the workforce.

ICAN through our Yarnin' Money and other financial literacy programs has worked with the job agency sector in the Cairns and Cape York regions to provide a component of getting people job ready. Through this experience ICAN has noted that this has been a tick the box activity for job agencies with little buy from the client base, wasting time for all services involved. For this to work Job Agency providers would need greater accountability in the process understanding that these services are already stretched in some instances.

ICAN believes in the potential of this approach but would need significant inter-departmental development. Where ICAN has had greater success is with companies like Rio Tinto and My Pathways where there was greater buy in from participants due to an increase in income and potential to make significant changes in their lives.

#### **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?**

It has been our experience that an ER referral of a client to a financial counselling or capability service is very different to a client accessing a service autonomously. In the first instance the client is seeing the activity as something they must do to get the ER payment, a means to an end, often not seeing the financial counselling or capability process through to the end. If a client accesses a financial counselling or capability service autonomously they have already accepted that they have an issue that needs addressing and are more likely to complete the service delivery process.

We see this as the greatest barrier to ER service integration, as ER is based in a traditional welfare/dependency model and financial counselling and capability are based on individual empowerment. ICAN would recommend the upskilling of ER workers to better assist clients in addressing the underlying issues, our training arm ICAN Learn has recognised this group of workers requires further professional development in the financial capability space.

#### **3.3 How can DSS better support early intervention and prevention opportunities?**

Work with the National Financial Literacy Strategy to identify existing financial literacy programs and build a model of best practice.

Promote financial counselling as a service that supports early intervention and prevents



financial crisis. Increasing the professional development of the sector to ensure capability activities are an integral part of the financial counselling delivery model.

## **Strategy 4 – Build a strong workforce**

### ***Questions for discussion***

#### **4.1 Do ER and CFC/FC workers need to build capacity? If so, how might this be done?**

Yes, they do, they need to have an understanding of professional referral options, fc roles, basics of financial decision making for people, need to understand how not to enable behavior that can impact badly on the client. They also need to see a career pathway within the sector.

In 2010, FAHCSIA put money into the delivery of FLE to ER workers in community organisations paid and unpaid workers – in QLD and VIC. Learning outcomes from those units were about how to refer to other support services. This is now known as the Financial Literacy Education Skill Set CHCSS0007.

We'd like to see government supporting the building of bridges between ER, Financial Capability and Financial Counselling sectors, which would in turn support the development of a more holistic service delivery for the client and the establishment of career pathways for ER, and Capability Workers.

The Indigenous Financial Counselling Mentorship Program (IFCMP) has an 8-year history with 34 participants from across Australia successfully graduating with a Diploma of Community Services (Financial Counselling). The IFCMP is targeted at Indigenous people working in the financial counselling/capability sectors and features dedicated support services to ensure ongoing mentorship, support and assistance. With a 95% graduate success rate, employers can be confident of positive outcomes for their Indigenous staff and organisation.

ICAN Learn is now rolling out the new Diploma of Financial Counselling program for agencies across Australia delivering Financial Counselling and Capability services and is also expanding the mentorship program concept with support from the Commonwealth Bank to include Cultural and Linguistically Diverse communities.

In 2017 ICAN Learn will add the opportunity to undertake the Skill Set in Financial Literacy Education - CHCSS00077, a requirement to work as a financial capability worker creating further options for team integration.

ICAN Learn is a 'social enterprise' and a division of the Indigenous Consumer Assistance Network LTD (ICAN). Incorporated in 2007, ICAN has become a national leader in consumer advocacy, financial counselling and literacy for Indigenous people.

ICAN Learn will provide ethical education to the broader financial well-being sector; fostering leadership and professional expertise. The establishment of ICAN Learn was made possible through a successful long standing partnership between ICAN and the Commonwealth Bank of Australia. As a 'Social Enterprise' any profit made by ICAN Learn will



go toward achieving ICAN's vision of 'Empowering Indigenous Consumers', through supporting dedicated consumer projects.

In late 2016, ICAN Learn undertook some market research into training needs for the sector and the Development of the Advanced Diploma in Financial Counselling is a direction people have been waiting for. It will provide the ability to include leadership education, and service management as well as complex casework and related issues. This qualification will be developed in conjunction with the financial counselling sector.

#### **4.2 What 'tools' do you see as integral to the further development of the FWC services in Australia?**

We want to continue to build capacity for Indigenous peoples who are seeking to transition into financial counselling, largely from financial capability work. ICAN Learn is a registered training organisation, will expand its ability to deliver the Diploma of Financial Counselling Across Australia. It's method of delivery is blended learning, with a focus on face-to-face mentoring, personal and academic support.

ICAN is well placed to develop agency relationships for agency relationships to support placement on an ongoing basis,

We are developing the opportunity, for financial counsellors who are qualified, to develop themselves professionally as trainers (to enter the training space) and also to share their knowledge with new workers.

Working towards a higher qualification which will start with a Specialist training and train the trainer model of professional supervision across the financial counselling sector, which is supported by Financial Counselling Australia (FCA) and peak bodies across the country, leading to an Advanced Diploma of financial counselling, for advancing the financial counselling profession.

Support the continuous development of financial counsellors and explore career pathways for financial counsellors. Currently there are no career pathways for financial counsellor, we need to enhance their current skill base and recognise their specialist skills.

#### **What tools are needed?**

Yarnin money through the train the trainer model – is an available tool to the financial capability sector. We encourage FCW's to take part in our train-the-trainer training and to utilize the resources in their own communities.

### **Strategy 5 – Strengthen evidence, improve practice and measure outcomes**

#### ***Questions for discussion***

##### **5.1 What do you see as the key issues involved in evaluating the FWC Activity?**



FWC referral points need to better share outcome data i.e. where an ER service refers to financial counselling prior to the client being eligible for ER; there would be an expectation that the financial counsellor would be providing a certain type of outcome. Once the FC produces that outcome for the mutual client, the client generally goes back to the ER service and receives ER. In some case, the financial counsellor may not know what the broader impact of its service was, because the referring agency has not shared those outcomes. If all FWC referral points are working together to share those outcomes, we can have a better understanding of the broader social impact of our collective work.

In a network HUB model all agencies would need to share outcome based information through a formalised terms of reference. This would improve outcome based evaluation for FWC services.

FWC workers need increased training opportunities in how to use the DEX database, so that information gathered is robust.

More investment into capturing FCW-specific information into the DEX database for example, incorporating dollar value outcomes achieved for clients within the DEX system, this would also require developed guidelines for data integrity.

It would also help to be able to submit qualitative reports through the DEX database i.e. the ability to upload a qualitative report.

## **5.2 What would you like to see as the main focus of the evaluation?**

FWC integration with other complimentary services and their combined social impacts.