# Submission from Southern Nils Community Loan Scheme

# Discussion Paper: Financial Wellbeing and Capability Activity

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| Section of paper | Support for or concern | Alternative Recommendation |
| P. 3 “half of those in financial stress suffer from ill health and many experience relationship issues, including divorce and domestic and family violence. Financial stress is also associated with increased drug and alcohol use and mental illness.”  We seek your input on the proposed direction of FWC redesign to ensure policy responses  continue to meet the needs of vulnerable clients, *not to reduce funding levels* | The majority of No Interest Loan recipients through Southern Nils are people receiving DSP (disability support pension).  Good Shepherd Microfinance Org. is proposing an overhaul of funding to Nils providers which will see the closure of Nils programs in an effort to ‘extend reach’ to areas not currently accessing NILS.  I am concerned about reducing funding to the existing NILS in order to capture potential clients in other areas. Meeting the needs of our clients complex needs does not seem to be documented or recorded appropriately to reflect the work required while working with people living on low incomes. | Ensure funding pays trained staff with the capacity to engage clients and provide support to meet their complex needs. Volunteers often lack the skills to assess and refer, unless they are retired health, welfare or social workers.  Fund existing successful front-line services appropriately to employ staff trained in Community/Welfare services.  Record referrals and existing partnerships between services to identify holistic supports currently in practice. |
| 1.1 What impacts do you expect restricting eligibility criteria in the manner proposed above will have on your service?  1.2 What strategies can be employed to ensure that services are accessible for those who need them the most? | While Nils is not a ‘crisis service’ it targets people who fit in these parameters however we have clients who are not Centrelink recipients, but work in low paid employment. If NILS services exclude low paid employed people, this will increase the risk of them becoming unemployed and/or seeking financial support from pay-day lenders.  For example: employed low income people seek NILS to pay for a greenslip and car registration to allow them to get to work. Without transport they would lose their paid positions.  Many clients do not know about existing services they can access to help with specific issues. Southern Nils provides a lot of referrals and information about other services. We also provide education on managing low incomes to meet essential outgoing expenses such as setting up Centrepay to cover energy expenses. We encourage people to set up a Christmas Club saving account with their bank instead of the exorbitant cost of businesses such as Crisco hampers and inform them of products such as ‘Money Smart’. | Allow support services for employed clients receiving low incomes.  Fund the community sector appropriately to employ skilled staff so clients can receive a holistic service first time/every time.  Support services in remote areas to increase their capacity with on-line community development training.  The current emphasis on FIAP (Financial Inclusion Action Plans), need effective funding. Unfortunately with funding cuts to NILS in the last few years, one area that lost funding for staff (incredibly) was indigenous outreach services and I can’t help wonder how this fits with FIAP. |
| 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?  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?  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?  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?  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?  2.6  How could Australian Government funding be used differently to better support integration of FWC services? | Sth Nils has a strong model for our LAC (Loan Assessment Committee) which is currently made up of paid staff from other community & health services. We meet once a fortnight on a rotating roster to assess and decide which loan applications will be ok’d and which need further information. These interactions allow all the involved service providers to connect and stay abreast of changes and/or become aware of other programs that could be helpful to our clients. This also supports NILS in that the other organisation representatives follow up with more information or provide options for loan applicants who may need to see for example The Falls Unit within the health service.  We also work on developing educational material for loan applicants eg: age appropriate time use of computers and other devices.  I hope that formalising relationships could be relatively easy and streamlined if it is a funding requirement? We drew up MOU’s some years ago however all staff at Sth Nils continue to maintain relationships with other service providers through our referrals for clients.  The current proposal by GSM suggests NILS applications will be assessed for approval by one *‘suitably qualified’* person. This would impact our relationships with other service providers as we would no longer meet and connect using loan applications to raise awareness and highlight current trends amongst our clients. There is no information about what ‘suitably qualified’ means.  The elements for good relationships to support a ‘hub’ style service provision are: regular contact with other services, communication and updates about new programs or changes, clear referral pathways and basically acknowledging what holistic service provision looks like.  .  The Australian government has centralised, de-centralised and is now centralising again. This has happened several times over my working life (30 odd years) which costs a lot to re-establish services. | Services need to be involved with each other to develop and maintain relationships.  Recognise existing models of area specific partnerships and relationships between existing services.  Understand that skilled experienced community workers often have a multitude of friendships with people who also work in other services (built up over years) thereby access to these other services is easier and more productive when seeking to provide a holistic solution for the complex issues of our clients.  Again I believe that if the roles are filled with skilled experienced community workers, then community development should be part of their tool kit.  Sth Nils maintain relationships with a variety of local service providers as we provide a holistic service and refer clients for support and to attend their programs. Some of these are Family Services Illawarra, Barnardos, a number of community centres, SYFS, HIV prevention and Drug & Alcohol, Mental Health supports, SAHSSI, IMS, WWIS etc. Maintaining and strengthening these partnerships requires that we continue to meet face to face.  Recognition of what we already provide would be great!  The word ‘hub’ indicates that all services would be in one building. Yet many organisations work together from various different locations to support clients accessing the services they need.  Skilled workers, good clear communication, financial support for administration costs, streamlined access and service delivery.  The Government needs to stop reinventing the wheel. |
| 3.1  What strategies can you utilise to support a client to improve their financial and/or employment outcomes?  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?  3.3  How can DSS better support early intervention and prevention opportunities? | Unfortunately the ‘Job Active providers’ are often resistant to resource clients to enable them to be work ready.  Services ought not do something for someone which they are capable of doing for themselves. Empower the clients.  Sth Nils repeat clients often talk about how their previous loans have improved the quality of their lives. We do not provide ER as such. We want to continue to provide our clients with opportunities to gain No Interest Loans. We have seen many clients move from being financially excluded towards a much more ‘financially included’ situation.  Nils clients often divulge their complex issues through the financial assessment interview when they apply for a loan. This leads to opportunities to provide them with options for seeking further assistance. | The Government needs to make sure the funded organisations provide what they are funded to do. Working with a client who is newly unemployed would work with their expectation of maintaining a quality of living that employment affords rather than slugging away at those who have become entrenched in ER type assistance.  NILS workers are front line workers who need to be either skilled experienced community services workers or they need to access training in listening, reflective feedback, counselling, grief & loss management, vicarious trauma, suicide prevention, recognizing DV, problem gambling & chronic unemployment etc. They also need time & money allocated to maintain contact with other service providers. |
| 4.1  Do ER and CFC/FC workers need to build capacity? If so, how might this be done?  4.2  What ‘tools’ do you see as integral to the further development of the FWC services in Australia? | *P. 17 “Many in the workforce are approaching retirement, resulting in a loss of knowledge and skills that cannot easily be replaced” & “attracting and retaining staff to the sector,”*  Some organisations run NILS with volunteers. This is not acceptable and the work load is about to increase with the GSM proposed new model. Face to face interviews, where complex issues are identified and much of the supports are discussed and provided to the loan applicants is to be replaced with ‘on line’ applications. Those organisations that will receive funding (at a reduced rate) send the applications to another organisation to provide ‘Loan Management’ thus driving a wedge between the loan applicants and their loan assessor. | Encourage those staff moving towards retirement to identify their strengths and employ them as educators to the networks of community services.  This model was used by TAFE NSW, however with the loss of funding for their programs, much knowledge and experience is not being made available to people seeking employment in these industries  Financial Counsellors & the Money Smart information.. |
| Other concerns/ issues |  |  |