**Financial Wellbeing and Capability Discussion Paper.**

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**Submission:** UnitingCare Wesley Country SA

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**Context:**

UnitingCare Wesley Country SA delivers Commonwealth Financial Counselling for Problem Gamblers in the Yorke region, sub-contracting partners to deliver CFCPG in the Riverland and South East areas. We deliver Emergency Relief in South Australia in:

* Yorke, Mid North and Barossa Region (subcontracting partners in the Barossa area)
* Far North Region; and
* Eyre & Western

Our service footprint in northern country South Australia approximates the region covered by the electorate of Grey, where a relatively small population of approximately 111,000 is scattered over a vast region of 904,881 sq km or 92% of the state’s land mass. Access to services is a key issue and all socio-economic indicators point to the region being one of the most disadvantaged in Australia:

* The population distribution data in Grey for the Index of Relative Socio-economic Disadvantage indicates 23.9% of the population live in Local Government areas in the first decile with a SEIFA of 875 or below compared to 9.7% across Australia.
* High levels of unemployment and under employment. Feb 2017 LMIP unemployment rates indicate the Port Pirie ESA has 10.8%; North Country 8.4% and Kadina Clare 7.4% compared to Australia 5.7%.
* The median individual income in Grey is $470 per week which is $107 per week below the Australian median of $577 (2011 Census)
* The median household income in Grey is $870 which is $364 below the Australia median of $1,234 (2011 Census).
* Grey has a high Indigenous population of 7% compared to Australia 2.5%. Port Augusta has 16.9%, Ceduna 16.1% and Coober Pedy 16.1% (2011 Census). 1.8% of the population of Grey speak an Australian Indigenous Language at home compared to 0.29% across Australia.
* Education attainment in Grey is relatively low, with 43.2% of adults completing school at Year 10 or below compared to 36.5% across Australia.
* 9.6% of families are one parent with a child under 15 in Grey compared to 8.3 in Australia.
* People at low levels of income, education and employment, older Australians and people with disability are significantly less digitally included. People in some regional, rural and remote regions have limited digital access. (Measuring Australia’s Digital Divide; the Australian Digital Inclusion Index 2016 Roy Morgan Research et al). *“South Australia’s least digitally included area is Eyre (on 45.6), a large region in the north west of SA, which includes the regional towns of Port Pirie, Whyalla and Port Augusta”.*
	1. **What impacts do you expect restricting eligibility criteria in the manner proposed above will have on your service?**

**ER Proposed Eligibility Criteria**

Restricting ER services to those at imminent risk of not being able to pay their debts appears on the surface to be no significant change to the existing eligibility criteria. The people we see for ER have no money until their next payment and are at imminent risk of going hungry, sleeping on the streets or walking 100km home because they have no money for petrol. Of the 1,190 people we provided Emergency Relief to, in 2,875 assists in the 2015/16 Financial Year from our Port Pirie, Kadina and Peterborough outlets, only 51 (1.8%) were assists with bill payment – typically in negotiation with a hardship provider or land lord who required an immediate “in good faith” payment while negotiating a debt or a rent arrears re-payment scheme. The greatest majority of ER assists were for food (56.5%); transport (16.5%) and Domestic Violence or family crisis (4.5%). 117 (9.8%) of people presenting for ER in the 2015/16 year were homeless. Many present with no money for life essentials because they have unplanned or higher than usual debts that they are responsibly paying off, leaving no money for daily needs.

**Financial Capability Proposed Eligibility Criteria**

We deliver Domestic and Aboriginal Family Violence Services (DV&AFV) in the Yorke and Mid North (Port Pirie, Kadina, Clare, Peterborough) and Far North SA (Port Augusta and Coober Pedy) regions and provide holistic case management that includes addressing the client’s financial situation to ensure they have a stable, accessible income. In 2015/16 we supported 543 clients, of whom 231 or 42.5% were Indigenous. DV&AFV Case Managers support clients with budgeting and refer to specialist financial advocacy and Financial Counselling services if they need support.

It is pleasing to see DV&AFV clients will be a priority group to receive Financial Capability support as funded under the Commonwealth Financial Counselling and Capability program. However, the two providers listed on the DSS web site in the Far North and Yorke & Mid North regions are not visible in the service region. In 2015/16 we referred a total of 173 DV&AFV clients (31.9%) to our internal financial support services – 27 were referred to state government funded Financial Counselling services and 146 were supported by their Case Manager to access UCWCSA’s Anti-Poverty Services including Low Income Support, Budget and Advocacy, Emergency Relief, or No Interest Loans.

We are dismayed that the proposed eligibility criteria for Financial Capability Services will restrict access to those who need it , those with little likelihood of gaining employment and parents on parenting payment with young children who do not have employment.

* 1. **What strategies can be employed to ensure that services are accessible for those who need them the most?**

Keeping the eligibility criteria for Financial Capability wider than that proposed in the discussion paper is essential to ensure services are accessible for those who need them most.

We believe that the current strategies we employ to reach those who need ER the most are working well. We deliver 45 other services under contract to the State and Australian Governments to the most vulnerable people in our communities including those who are experiencing homelessness, Domestic and Family Violence, mental health issues and family breakdown. We train all staff in all programs/ services to access ER as part of their case work to support clients in financial crisis. We also provide Triage interviews (an unfunded service) for people who are not current clients and present at reception seeking help. In 2015/16 39.2% of ER clients receiving a service from UCWCSA were new clients.

The demographics of the 1,190 people assisted with ER in the 2015/16 year from the Port Pirie, Peterborough and Kadina outlets demonstrate it is reaching those most in need: 1,166 or 98.0% were receiving a Government payment. Of these, 279 were in receipt of a Disability Support Pension and 178 a Parenting Payment an indication that some 457 people receiving ER may not be work ready. The focus on directing the Financial Capability service to those who are work ready will, we believe, leave many people including parents with young children ineligible for early intervention support with financial literacy and budgeting skills.

* 1. **What would help you strengthen cooperation with other services (e.g. family support services and JobActive providers) in your community? What additional support would you need to achieve this?**

In our experience in regional, rural and remote South Australia additional support to strengthen cooperation with other services is not necessary, unless a whole of community collective impact process is implemented. This requires a skilled facilitator. A majority of our service agreements expect collaborative practices and we apply holistic case management; a no wrong door approach and wrap around services to our service delivery models, necessitating cooperation with other services.

Our sector understands that working together achieves better outcomes for clients. To achieve our strategic goal of providing the very best services, we need to cooperate with other services. We maintain strong relationships with other services by sharing a commitment to local and regional networking and collaboration with a focus on client outcomes. We share information about services, eligibility, referral pathways and foster close working relationships at the case worker and management level.

We believe it is not necessary to make formal referral agreements to work together, unless we are partnering through a formal consortium or sub-contracting arrangement to co-deliver a service.

* 1. **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?**

Negotiating formal MOU’s or MOA’s between organisations to ensure referral of clients and working together to support a mutual client is a costly and time consuming task for Managers, CEO’s and Boards and in our strong opinion not necessary. We believe our current informal referral and co-working relationships are highly effective, enabling us to work holistically with the client.

In some service delivery areas we sustain formal and informal strategic liaisons and collaborative working relationships focusing on the needs of our clients. E.g. in delivering PHAMs (psychosocial mental health support) in the Port Pirie and Kadina regions we are a member of the Partners In Recovery (PIR) Consortium, working very closely with Country and Outback Health through a formal MoU. We participate in the local Mental Health service providers network where clinicians, housing and Disability Employment Service providers also attend. Informal service access networks are developed around the specific Action Plan of each participant. We also facilitate a weekly recovery focused peer support Consumer Group inviting service providers to provide relevant information and promote services and community supports directly to clients.

We accept the responsibility of maximising the effectiveness of our relationships with other organisations and believe we should determine when a formal relationship is required and when informal goodwill is sufficient, rather than being compelled to formalise relationships.

* 1. **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?**

UnitingCare Wesley Country SA (UCWCSA) is a generalist non-Government organisation operating in a regional/ rural/ remote service delivery area. We receive funding for financial wellbeing and support services from Australian, State Government and internal sources. We have been able to integrate our Anti-Poverty services at our largest sites in Port Pirie, Kadina and Port Augusta so that access to financial support services in each locality is seamless. Our difficulty in maintaining this “Internal Hub” model is the different funding “footprints” and contract lengths for each service in our integrated model. Whilst a recognised difficulty internally, different footprints and contract lengths become a huge deterrent to being able to negotiate a collaborative model with other organisations.

Our internal hub model provides a “one stop shop” comprehensive wrap of financial capability and wellbeing services. Workers in all programs based at the site participate in a Triage Roster where they listen, assess needs and make appropriate referrals. They can directly access Emergency Relief or Emergency Financial Assistance or a NILs or Micro-Credit Loan, as well as make appointments for more specialised assistance including the Low Income Support Service for budget and advocacy or the Financial Counselling Service. Our Triage system relies on many workers (from Family Support Services; Homelessness Services; Domestic and Family Violence Services, Gambling Help Services etc.) giving 3 hours per month of their time from their program. In smaller locations where only a few FTE workers are available, Triage is not able to be offered because of the erosion of time into their core service delivery responsibilities.

Our Anti-Poverty Team delivers the following services from fully established UCWCSA outlets. Where possible, outreach is offered across the region.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Outlets | **Port Pirie** | **Kadina** | Clare | Peterb-orough | **Port Augusta** | Coober Pedy | **Whyalla** | Port Lincoln | Ceduna |
| Services |
| Emergency Relief DSS | X | X |  | X | X | X | X | X |  |
| Emergency Financial Assistance | X | X | X | X |  |  |  |  |  |
| Financial Counselling Problem Gambling DSS |  | X |  |  |  |  |  |  |  |
| State Financial Counselling | X | X |  |  |  |  |  |  |  |
| Low Income Support Service | X |  |  |  | X | X | X | X | X |
| No Interest Loan Scheme | X | X | X | X | X | X | X | X | X |
| Micro-Credit (UCWCSA) | X | X | X | X | X | X | X | X | X |
| Gambling Help Service | X | X |  |  | X |  | X | X |  |
| FoodHub (UCWCSA)Volunteers | X |  |  | X |  |  |  |  |  |

Our vision is to support the establishment throughout our service region of “one stop shops” with free public access to the internet as Financial Wellbeing and Capability Hubs with a similar range of services that are available in Port Pirie, especially the establishment of FoodHubs in partnership with FoodBank SA, local donors and the community.

* 1. **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?**

The ‘internal integrated hub’ model is successful in Port Pirie, Kadina, Port Augusta and Whyalla because UCWCSA is a major provider of complementary community services and can cross subsidise access to the unfunded services – those with no or minimal grant funding for service delivery salaries, management and overheads such as Emergency Relief; Emergency Financial Assistance; the FoodHub; No Interest Loan Scheme or Micro Credit. On average, each site requires a minimum of 3 hours each day of a skilled Triage worker’s time. We can only make these unfunded services such as ER and NILs loans available to our communities because we provide the service outlet rent, utilities, insurances etc. and the salaries of those who administer the products or train and supervise volunteers to provide the service. The other “cross subsidisation” element is the time that rostered Triage workers give from the programs they are employed to deliver.

Another element for a successful hub is location; a centrally located, easy to access hub outlet is essential, especially in region and rural areas where there are limited public transport options. However, most ideal locations in the central business area of regional communities request expensive commercial lease rates. Short term funding cycles do not align with typical commercial lease expectations of 5 plus 5 years. Negotiating shorter leases increases the cost.

As outlined in Table 2 Page 10, when several providers of services in a region collaborate to develop the hub model, ample time and respectful negotiations are required to find a governance and operational model that suits all partners. An essential element in bringing services together to work in one space is to have on the ground, clear leadership to work with all stakeholders to develop agreed values, principles, policies and procedures to operate the hub effectively.

An essential element in any Hub is to provide free public access to the internet for people who do not have access or cannot afford digital access or do not know how to use the internet. Research published in 2016 “The Australian Digital Divide” exposes that about 20% of Australians are further disadvantaged as they are largely excluded through access, affordability and digital ability, from the internet, a critical link to society. Those who are most digitally excluded include those living on a low income; unemployed; aged over 65; with disability; low educational achievement level; Aboriginal people and those living in rural and remote regions.

* 1. **What element and innovative practices would be particularly key in establishing a hub model in a rural and/or remote service delivery context?**

In rural and remote communities, the “hub model” would need salaries, transport and infrastructure because there are few or no mainstream funded programs located in rural or remote areas that can cross subsidise a hub, as is currently the case for our regional “internal hub” models. The rural or remote hub would need to provide free access to the internet.

We are currently exploring the “engager” model through our Low Income Support Service (LISS) based in remote locations in Coober Pedy and Ceduna. An “on the ground” worker engages the community and clients and supports the development of financial literacy and basic budgeting skills. The worker provides direct access advocacy with utilities providers, Emergency Relief or a No Interest loan if appropriate and links clients by video-conferencing, to more specialist services such as a Financial Counsellor. The LISS “engager” supports the client complete agreed actions between video-conference appointments and provides both access to and training in how to use the internet for essential communication with services and to open up the knowledge bank they are excluded from.

The LISS “engager” is the hub, a conduit to information and help, and a motivator to support change. This relatively inexpensive model is a practical way to bring information and specialist help to vulnerable people in remote locations and strengthen community. Many clients in remote locations are Aboriginal and they prefer face to face contact. Many are not comfortable with, nor have access to online services and the LISS worker is able to earn their trust and support them interact with video-conferencing and online platforms.

Our “engager” model requires a Team Leader/Coordinator with a travel and accommodation budget to provide supervision and support. The remote LISS workers need to be co-located with at least one other service/ worker for daily support and safety and to prevent worker isolation issues. Extra resources required in remote locations include IT and communication access, a designated vehicle and a remote location allowance.

We are keen to further explore a generalist “engager” model in rural and remote communities to case manage clients to address complex issues and connect to a range of specialist services via video-conferencing and the internet.

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

Agencies do what they can with the resources available to them. Aligning funding cycles is one step towards opening up the possibility of service integration between agencies, so that the service map for each region is stable when negotiating cost sharing formulas.

Aligning Government funding cycles would also provide greater certainty when employing qualified staff such as Financial Counsellors, especially in regional and remote areas. Most funding contracts in regional areas provide for a part time Financial Counsellor position. We live in hope that funding from 2 or more separate sources (typically State and Australian Government contracts) is available at any one time in a locality to offer a full time position.

Realistic funding levels are required to support the integration of services in regional, rural and remote locations, particularly to cover management and provider salaries, property leases, governance and management support, transport and communications technology.

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

UnitingCare Wesley Country SA works across many programs to holistically support clients to address issues impacting on their wellbeing and improve their financial and/or employment outcomes. Having the resources to work holistically with all clients presenting with complex issues across our service footprint and providing them with a high quality case management service is our ideal situation.

Currently we are funded to provide case management services across various service footprints with no two services having the same geographic spread. We use the same evidence based Case Management model delivering PHaMs Mental Health; Domestic and Aboriginal Family Violence; Homelessness Services; Family Support Services and Youth Services. Our holistic Case Management Model uses relevant Outcomes Stars for the assessment, planning and review stages and we require all Case Managers to address all domains impacting on wellbeing, including financial skills, money management and education, training and employment.

Our Case Managers are able to spend the time required with a client to set goals in all domains and support the client prioritise actions and gather the resources required to achieve their goals. When a client is in financial crisis, their Case Manager refers them to a Financial Counsellor and supports them follow the guidance provided by the professional, whilst supporting them to address other issues impacting on them.

When a case managed client is unemployed, we have conversations to address their work readiness and support them connect effectively to receive support from their Disability Employment Service provider or their JobActive provider or their Community Development Program provider in remote localities. These organisations are directly funded to provide work readiness and job search support. We exchange signed informed consent forms to work together to support our mutual client and ensure alignment of their employment education and training goals with their case plan.

Financial Counsellors and Financial Capability workers are a scarce resource. The waiting list to see a Financial Counsellor is often 4 weeks in our region. They are skilled in delivering competent financial counselling services and it is an inefficient use of their time if they are expected, as it appears in the discussion paper, to take on the role of JobActive, DES and CDP providers. They complement the role and work collaboratively.

UCWCSA also receives referrals from employment service providers when they identify complex issues are impacting on their client’s employment readiness including Mental Health, Homelessness, Domestic and Family Violence, family breakdown and financial stress.

* 1. **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?**

People can access Emergency Relief from UCWCSA through 2 main avenues; Triage and their program worker.

Triage: UCWCSA has established a Triage Roster of workers from other funded programs based at the Port Pirie, Port Augusta, Kadina and Whyalla sites. On average they make themselves available for 3 hours once a month for “walk-ins” – people presenting at reception wanting help. The Triage appointment is scheduled for 45 minutes. The worker listens to their issues and makes a connected referral to an appropriate service if the issue is homelessness etc. If they are seeking Emergency Relief, the underlying issues of why they have no money for essentials is explored. The Triage worker looks up their Emergency Relief data on our comprehensive Client Management System to check their ER service history. If they have presented recently the Triage worker checks if they are the current client of any other UCWCSA service. If they are, they are referred to their worker to help support their financial management. If they are new or have no current support worker, they are offered an appointment with our Anti-Poverty Team. This referral is also “triaged” depending on the issues revealed and the appropriate worker is introduced to the client:

1. Low Income Support Service if the issues require budget skills and advocacy with utilities providers (More funding is required for earlier intervention workers who relieve client stress and reduce the demand for Financial Counsellors. UCWCSA has 6 Low Income Support Workers employed 0.5 FTE spread across 92% of the state’s land mass).
2. Financial Counsellor if the issues are critical (More funding is needed for Financial Counsellors as their waiting lists are often 4 – 6 weeks and this is often too late to divert a crisis)
3. Gambling Help Counsellor if the issues are related to problem gambling (Many people in financial crisis are embarrassed to acknowledge their gambling problem in their early stages of engagement with a service and come through the door of 1 or 2 above)

Time limited FoodHub membership is offered to ER clients in the Port Pirie area if they are struggling with a particularly large bill and may need 3-4 pay periods to pay it, leaving little money for food. This prevents them presenting 3-4 times for ER.

Worker Access: UCWCSA workers in other services are trained to support clients with basic budgeting skills and how to access ER and micro-finance if required. If they are aware that their client is struggling financially and can’t pay debts, they are able to directly access ER and FoodHub membership, if appropriate. They are required to use the same criteria as that applied to people presenting through the Triage system and support their client find longer term sustainable solutions to their financial wellbeing.

* 1. **How can DSS better support early intervention and prevention opportunities?**

UCWCSA’s state funded Low Income Support Service’s has a prevention and early intervention focus, offering community education sessions to promote and deliver financial literacy and awareness, trying to reach the most vulnerable people through Aboriginal Health Centres, Community Centres, Community Hubs, Youth Homelessness Services, Parenting Programs, Domestic Violence Services and community special interest groups such as Autism Support Group and Mental Health Peer Support Groups. Local low cost promotion is used through posters, social media, guest speaker spots at community group meetings and word of mouth. Whilst our Low Income Support Service is state funded, it benefits greatly from broad community awareness raising and the development of educational material by DSS and working closely with DSS FWC programs such as ER and NILs and Financial Counselling.

As indicated in 3.2 above, more investment in early intervention and prevention programs such as DSS FWC services or our SA DCSI funded Low Income Support Services will take the pressure of people experiencing financial stress and intervening earlier will reduce the demand for Financial Counsellors.

DSS can better support early intervention opportunities by removing the proposed narrow eligibility criteria proposed for the early intervention Financial Capability service and providing more resources in this program area. A large number of financially vulnerable people are on fixed income Parenting Payments or Disability Support Pensions with limited chance of employment. Restricting their access to early intervention services means they will not be able to gain support to avoid un-manageable debt and may resort to pay day lenders when a financial crisis occurs.

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

All workers at UCWCSA are trained internally to conduct Triage interviews and access ER or other financial products relevant to their client’s needs. Support to upskill UCWCSA staff and other complimentary service providers would be welcome.

The very experienced small team of trainers delivering our internal training benefit from sector level training for their professional growth and to be kept aware of trends, products and resources.

* 1. **What tools do you see as integral to the further development of FWC services in Australia?**
* Extending on-line resources for IT literate people to access and develop their knowledge base.
* Aggressive promotion of alternatives to pay day lenders – accepting that NILs reform will make this a much quicker option.

* 1. **What do you see as the key issues involved in evaluating the FWC Activity?**

Longitudinal studies should be funded to track over time the journey of clients who receive the services.

What essential elements and services should be present at a Hub? What makes “internal” and “collaborative” Hubs effective in achieving and measuring outcomes for clients and value for money?

“Internal” Hubs - the same agency delivers all services located at the Hub.

“Collaborative” Hubs - different agencies work together delivering services from the same hub.

* 1. **What would you like to see as the main focus of the evaluation?**

The evaluation should test the underlying assumptions that policy direction is taking with the emphasis of only helping those people who are looking for and preparing for work:

* It is easy to get a job in areas like Port Pirie where the unemployment rate is over 10%
* There are real entry level and skilled jobs available
* Everyone should and can get a job
* People who have a hic-cup managing their fixed, tiny incomes and seek ER should only need one ER assist.

The evaluation could help funders and the sector explore the way people in regional, rural and remote areas manage on incredibly tight, fixed incomes and eat healthily; pay rent and utilities bills; own vehicles; educate children and themselves; and job search.

Anecdotal evidence suggests that while some may appear to manage, not seeking support from FWC services, they take risks such as driving unregistered and uninsured vehicles without a driver’s licence because they can’t afford to renew these and they prioritise their limited money for rent or electricity connection.