

**JACARANDA COMMUNITY CENTRE INC. RESPONSE TO THE**

**DISCUSSION PAPER**

**FINANCIAL WELLBEING AND CAPABILITY ACTIVITY**.

To begin discussing this issue you need to understand that while KPG obviously did research into the issues we are unsure from meetings that I have attended how many WA people actually were part of the research. The majority of financial counsellors, financial capability workers, and emergency relief workers do not believe that they took part in the research.

The second issue is that WA’s economic climate has changed dramatically since it was commissioned and we are now seeing a much larger percentage of under employed or those that have kept full time employment but have taken a 20% drop in income. Those that have been made redundant are not part of your statistic on unemployment yet as many have always worked so they have used their redundancy , their savings, maximised their credit card limits before they come to us and we recommend that they apply for Centrelink at least although it may not save their mortgage or rental. Many of those people when they come in tick that Centrelink is their main income and that is because they are receiving family tax not that they are actually on a payment.

* 1. **What impacts do you expect restricting eligibility criteria in the manner proposed above will have on your service.**

It is more about the impact that it will have on the clients. It is better to see the client before the debts become “unable to be paid”.

1. FWC services already target people in financial risk and a good service will manage their appointments but also allow walk-ins for the most vulnerable or to be culturally appropriate such as Aboriginal or CaLD client groups.
2. They may not be proven debts
3. A comprehensive budget by a financial counsellor may allow them to pay debts and normal accounts ( e.g. utilities) at a reduced ratio through negotiation or by using other programs available such as AlintaCARE, power Assist, Wearne Trust, ER. The financial counsellor will also explain the benefits of voluntary income management as a negotiation tool, arrange Centrepays and a range of other tools at the same time increasing the clients knowledge and skills.
4. They may not have the knowledge, skills or literacy to work out their finances and financial management just because they are employed. This would then push clients into expensive debt negotiators.
5. They may have paid their debts but have no food or money for medication or travel to look for employment or be one of the people I have mentioned in my opening statement and this would then exclude a range of other people.
6. People do not say they are experiencing Domestic Violence when they book an appointment a good financial counsellor will find that out in the interview therefore many of the people especially women on DV situations will not get seen and be referred to the appropriate resources or know their rights.
7. We would have to have a tight screening process to only allow those that fit the new guidelines and that is not how a good agency works. It would mean the front desk person would have to turn more people away.
8. Preventative measures such as community education, financial capability, budgeting, housing, banking workshops would no longer exist which would eventually put more people in financial hardship who would then meet the criteria but overload the system as there would be more complex issues.
9. Clients that access other services under our organisation may not be eligible for a holistic service.
	1. **What strategies can be employed to ensure that services are accessible for those who need them the most?**
10. The top strategy would be for the Government to fund these services appropriately. We have changed from having 4-5 financial counsellors to one financial counsellor and one financial capability worker under the HUB, not a good outcome for clients.
11. We currently have 465 clients in 6 months attending a currently unfunded local service because 60% are Aboriginal and 26% are CaLD and you need services that are appropriate and accessible. A HUB per corridor is not the most appropriate accessibility for a service.
12. Accessibility should be for those that believe they are in financial crisis or to avoid a financial crisis and a good financial counsellor will assess this when interviewing the client and will be able to determine whether the client can be given resources and work through their situation or whether the client will need some ongoing additional support either short or long term to do this.
13. We have developed and implemented ER and Financial Counselling and Capability guidelines which take into account the needs of local client groups.

2. **Strategies to increase service integration:**

In the discussion paper “ little knowledge of what services are available” is in

the beginning of the section however the Government has never advertise the

services available and with so few funded it probably would overload them. It is recognised by financial counsellors that the for profits e.g. my budget, cash train, wizard, hock shops, loan companies and a large number of other organisations out there create more debt for the client who should have been able and know how to access a free financial counselling service, as we are regulated the others are not.

Jacaranda already has an integrated service model which is proven to improve outcomes for our clients. In WA I would doubt the figure of 70% only offer a single service. That might be for that particular funding but overall most services should or would offer multiple other services under different funding arrangement or by other agencies utilising the office space to offer a service e.g drug and alcohol counselling, mental health, women’s wellbeing, computers, culturally appropriate programs etc.

2.1**What would help you to strengthen cooperation with other services in your community ? What additional support would you need to achieve this?**

1. This area is totally underfunded as the program allows for ER or Financial Counselling/Capability, it does not cover funding to strengthen cooperation, and I would not like to see this be part of the limited funding received unless there is a specific funding proportion for that to occur.
2. We already do this by MOU’s , having other agencies attend our service, direct referral pathways but we don’t have the capacity to do this under the current funding it is done out of additional funds or as additional services.
3. The notion that it is not in place seems to indicate that this was not thoroughly research. Some may not be in place by clear documentation but in the 26 years I have been working in the Industry I have always found it to be in place, it is the time and the staffing requirement that is not.
4. A big concern is if you move away from localised services you will move away from all these informal networks that are already established.

2.2 **What effect will the requirement to formalise relationships with other organisations have on your service?**

1. An MOU is not a legally binding document so although formalised it is often seen to impress Government; the question you should be asking is does it assist the client to increase their financial capability and reduce financial stress?
2. The managers and CEO’s would need to meet; one would draft up a document it may then have to go to their boards. Both might have changes to be made and go back to the managers/CEO and then signed off either by the CEO or the Board. This time is not funded under the current structure and would impose on the agency.
3. Agencies report it is difficult to fund 2FTE and on costs on the current funding, and has to include the current guidelines through ASIC such as training/ professional development, professional organisational costs, conference and supervision and a good level of insurance.
4. Organisation may not have the same ethos but may be suitable for a referral not for an MOU does that penalise the services through Government eyes?
5. Agencies are reliant on funding and funding cycles vary; an MOU with one services e.g. job network, drug and alcohol doesn’t necessarily mean they will have that service at the next funding round.
6. We have great relationships built on trust both with the clients and organisations how is this going to improve on that?
7. Any formalisations should be done in consultation with the agency.

**2.3 Integration/ collaboration of FWC .**

1. With WA NILS this is already occurring within our two organisations. Our client group do not have the capacity to do online themselves in many case so our financial counsellors assist the clients in this capacity.
2. WA NILS attends SERC(State Emergency Relief Committee) which we are also a member, attends Community Resilience Forums( ER forums) and WACOSS or Shelter meeting where suitable and so has great collaboration with organisations.
3. The only reason some organisations are not members of WA NILS or assist with the paperwork is because they are not funded to do it or do not have the staff resources.
4. If it is of benefit to the client and financially viable we will assist but of course we can only do it in our funded catchment area.

**2.4 Elements to ensure a HUB is successful.**

1. Local, accessible not by triage/ phone assessment as it does not meet the cultural needs of Aboriginal , CaLD or the most vulnerable clients.
2. Funding for a HUB not for a 2FTE that is currently called a HUB that is a recognised an accepted local organisation that has the capacity to function as a HUB. You will find some like Jacaranda already are but with Community HUB funding could expand and improve the HUB experience for clients.

( c) Having the capacity for outside agencies to come to the HUB agency when required or on a regular basis rather than having them set up a full office or agency within the HUB. This ensure utilisation of limited resources.

(d)Trust from the Community and from vulnerable client groups, disability access, culturally appropriate access, culturally appropriate building, variety of staff e.g. Aboriginal, Non-Aboriginal, CaLD we find assist.

1. On- going long term local providers funding.

**2.5 Elements and innovative practices- rural / remote.**

(a) We are not rural or remote and the local rural and remote agencies know best what is needed for their local community.

(b) My comment would be as we see a lot of Aboriginal people in our agency is to make sure that it is culturally appropriate and the innovative practices allow for this to occur and that there is enough funding to do that properly.

(c ) Staff are able to access sufficient support .

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

1. Financial Counselling and Capability HUBS meant a large reduction to financial counselling funds in my area and my agency by just changing the name.
2. We have a fairly large component of funding that was reduced by half, and some agencies stopped receiving funding. Effectively in WA metro area only 5 financial counsellors and 5 capability workers were employed and in some agencies not even full time. Where ever that money was redistributed should be returned to the appropriate services.
3. Value for money; we know that with financial stress comes Domestic, Violence, Family Violence, Mental Health, Drug and Alcohol, Justice issues and sometimes imprisonment, reduced education of children, going services. Appropriately funding services reduces the costs in these areas.
4. Currently there is no training funding and offer of employment for the Diploma of Financial Counselling, therefore, we funded out of bank funds the only Aboriginal Accredited financial counsellor in the metropolitan area and paid for the Diploma. It is a sad statistic that with TAFE fees going up and no on the job training we will not get Aboriginal people as qualified financial counsellors and Role models for their community. In fact I would go so far as to say it is the worst statistic that we have in our Industry. On the job is the better model of culturally appropriate learning with assistance if doing on-line diploma as part of this. Could some Government funds be used to have employment and training in this area as we would certainly accept Aboriginal trainees if we had funding and resources to get them through to accreditation.

**3.1 Strategies to utilise to support a client to improve their financial and employment outcomes.**

(a) First and foremost you need to reduce their financial stress as previously mentioned it is often a trigger for all those above in 2. 6(c).

(b) Properly funded services that people could access financial counselling for this.

(c ) Identifying other issues that are affecting their employment outcomes. E.g. often clients cannot fill in basic forms or they have the spoken English but not the English comprehension to understand their issues, documents etc.

(d)Family support to support the person or family to work on family issues so that employment outcomes are possible.

( e) Job- networks etc understanding the clients capacity and working with an agency to improve their employment outcomes, not a number.

1. Companies especially big companies that make people redundant having a financial obligation to assist the client to get financial counselling. While under ASIC it may not be able to be paid to the financial counselling service direct as that would have to be check; it could maybe paid to the Government as long as the Government then returned it to financial counselling.
	1. **Multiple occasions.**
2. It must be noted that the current DEX System counts sessions rather than issues. If ER agencies are trying to accurately record that they have assisted the client with shared ER for power and gas, travel money or employment or medical appointments, script, glasses it gets counted as multiple sessions. However, it might have put them back on the track to financial viability.
3. We also do ER through case management, so the effect of multiple occasions may be to work through the intensity of their financial stress.
4. Financial Stress or the need for emergency relief is not confined to once every three months. Sometimes the client will have 1,2, or 3 immediate family deaths ( e.g. Aboriginal people) , 4 children with Nits, that also ended up with chicken pox or something else that requires medication. Partner has been made redundant on multiple occasions as only casual, white goods or other item that has broken down requiring use of person’s payment which left nothing for food.
5. None of these have to do with miss management of funds, what we do is training to work finances where possible to allow for the unexpected, however on limited income that is not always possible.
6. We used to get clients to go on voluntary income management and keep a residual that we called a kitty for emergencies now that is not available to them and they are encouraged to put it all on the basic card.
7. Since the reduction in parenting payment to New Start we have seen a greater need for ER and as utilities increase a greater need for aged pensioners and those in disability.
8. In 26 years I have seen very few occasions where a person has deliberately used the system so maybe it is the way we treat the client and address the issues which in many cases will include financial counselling and financial education.

**3.2 How Can DSS better support early intervention and prevention opportunities.**

1. Not use the two main changes to the FWC guidelines as they do not include early intervention and prevention so why would you use them if you want that to occur.
2. Not just count numbers or sessions, allow us to be able to explain outcomes and the positive effect that it has had on the client and family. Those that see clients but work more intensively and use early intervention and prevention take time and time does not count as numbers.
3. Recognise that some agencies are doing it really well, the Community knows that and that is why they attend and come out of area, it is the Government that doesn’t.
4. Flexibility – e.g we had helped a young Aboriginal lad a few years ago with ER and financial counselling, he came back 5 years later to ask for assistance with a job and getting housing so he could have his children sometimes . Doesn’t meet the catchment area, doesn’t meet financial counselling eligibility but he has chosen the agency that he believes will help him most and guide him to appropriate services.

**4.1 ER and CFC/FC building capacity**

1. Adequate time and funding for training. Recognition that training in other states e.g. FCA National training/conferences, Ombudsman conferences or round tables is extremely expensive from WA and if you employ as many staff as possible it is impossible to send them.
2. Our current Financial Counselling lawyer is funded only part time on a WA state basis Federally these should be funded for all financial counsellors to access.
3. Costs of registration for memberships and insurance should be recognised on the number employed.
4. Ensuring that organisation pay adequate salaries so that staff maintain employment and do not have to go out of Industry to seek adequate renumeration.

**4.2 Tools**

1. Look at 4.1 (b) above.
2. Ability to allow for Case management which is holistic as a tool rather than hours for a client or as some agencies are now doing.
3. Time to research find tools available,

**5.1 Key issues involved in evaluating the FWC Activity.**

1. Complexity of issues coming through to financial counsellors.
2. DSS DEX that was set up for family support we don’t even have a financial counselling button it is called “counselling”. The issues they may come in for are multiple creditors harassing them, eviction imminent through rental arrears, negotiation with banks, unfair contracts etc currently you do not have any of those details so it makes it hard for financial counsellors to give accurate information on the causes.
3. We need a data base that reflect what we actually do, we have one with our CDS but not the DSS DEX.
4. Our CDS data actually allows us to see what clients are using multiple services with us, which services have given ER even though the programs may all have different funding.
5. Clients concern about Government integrity in the data that is supplied.
6. Recording of data that takes up client time. When the CLC’s first had National data collection, they were paid to get computers, paid to get data entry, where the financial counsellor or ER worker often does it all.

5.2 **Main focus of the evaluation**

1. How have we assisted the client to grow in their financial management so that it is sustainable.
2. What are the issues that are coming through and should Government be looking at reducing those issues through other policies.
3. Is an agency appropriate to all vulnerable people. E.g Aboriginal clients, CaLD clients, those with mental health or disability or is it easier for them to see “Main stream” and get good statistical numbers.

In conclusion I would welcome Government coming out and seeing what we do, how we do it, talking with clients and staff and even shadowing us for a period of time.

On the limited funds what we do we do well , the clients recognise this often Industry recognises this, it is now Government turn to recognise this and in turn we will all assist to alleviate financial crisis and have a strong community.

I am sorry if this is slightly over as word count is not working and having worked in the Industry for 26 years I have in depth knowledge that I was trying to put down. I also do not have the time to count it all up.

Regards

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