

Discussion paper

Financial Wellbeing and Capability Activity

Submitted by Matrix On Board

Matrix on Board (Matrix) currently have an agreement with the Department of Social Services for the provision of Mentoring Skills and Training for Financial Capability Workers, in Financial Counselling, Capability and Resilience IM Hubs. Matrix also delivered the Financial Management Resource Support Unit (FMRSU) from 2009 to June 2015. During this time we worked with over 50 organisations and 565 Money Management Workers who received a suite of accredited and non-accredited training. Much of our discussion and comment below is based on this experience working closely with Service Providers and their teams across Australia however, for this paper will be focussing on working with Indigenous clients in regional and remote locations where the environment is vastly different.

Questions for discussion

1. Strategies to improve the targeting of services

1.1 What impacts do you expect restricting eligibility criteria in the manner proposed above will have on your service?

1. In our experience, many Indigenous people who are new to the workforce face an enormous challenge. They firstly need to adapt to working every day at set times, in a set place (compared to previously being free to respond to family demands at any time); they also need to learn how to deal with having more money. Indigenous families share their resources freely between family members. When one person comes into more money, they will face increased pressure from family members (who remain without financial resources) to contribute to the whole family. Frequently, new workers leave their workplace to stop the pressure being placed on them by their family members. So, restricting Financial Capability services to those who are on benefits could lead to more people leaving work.
2. For Indigenous people living in remote communities (and particularly those living in the remote desert communities) their need for support from the Financial Capability Workers is far greater than their urban counterparts. They have not had as much time to adjust to colonisation and western systems. They are particularly vulnerable to unscrupulous lenders, sellers and traders (whether they have a job or not) and have greater levels of indebtedness from fines, purchases and unpaid bills. By limiting Financial capability services to only those on welfare you exclude those people who probably have the most capacity to benefit from the service. Some preventative work with those who are working will go a long way as people who have the capacity to learn also most likely to be in leadership positions and capable of passing their financial knowledge, skills, behaviours and attitudes on to the broader community.
3. Due to Intergenerational Disadvantage, many remote indigenous members who enter the workforce may be the first in the family. They need ongoing support in understanding everything that comes with employment status, including interpretation of documents as simple as a pay slip, superannuation and making new informed money decisions.
4. Training for staff will need to include family and domestic violence and mental health awareness.

5. There are far fewer opportunities for industry and jobs, in remote locations, therefore there needs to be an exemption put into place for those who reside in remote locations.
6. Seasonal nature of work means that clients can go from financially wealthy to financially insecure in a matter of weeks it would be better to be able to work with everyone in the community all the time.
7. Withdrawing access to services based on employment assumes that once employed that they also have all of the following attributes:
 - Stable financial situation
 - Can access money in an emergency
 - Follows a budget
 - Secure employment
 - Makes good financial decisions
 - Saves regularly
8. Lastly, if the premise of the Financial Wellbeing and Capability Activity is prevention and early intervention, then providing access to support before re-entering the welfare cycle will save the Government a considerable amount of expense and assist with breaking the cycle of poverty.

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

- Consistent and culturally appropriate **Induction** program for all FWC staff
- Services developing triage systems to do short assessments of need at the initial point of contact. Establishment of waiting lists and scheduling of appointment at set times each week
- Participants in Community Development Programs could be registered with the FCW providers' education sessions as an approved activity.

2. Strategies to increase service integration

2.1 What would help 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?

- Building in incentives within contracts for services to cooperate and refer to each other via output measurements.
- Longer term funding agreements which would encourage staff retention, career progression and stronger relationships rather than constant turnover.
- Interagency referral conversations within remote communities supported by the Government Engagement Coordinators or Government Business Managers. Assisting communities to come up with common case management frameworks and referral pathways.
- Smaller community of practices for financial capability workers based on common client needs and demographics. Workers are craving support and dialogue with other workers around common money issues specific to their communities, which are often far removed from national or even state issues. E.g financial abuse of the elderly in remote communities.

- Administrative support for networking, training and mentoring for remote staff either face to face or on the digital platform, due to there being no other local services. Staff do not know what they do not know and often remote staff have never experienced or seen what cooperation with other services looks like.

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?

- Support to facilitate small round table gatherings with stakeholders from all levels of the service delivery to discuss the benefits and assist services to embrace the model would be a better way to go than mandating compliance
- The effectiveness will be realised when services feel they are owning the process and **getting value** for the time spent. Value will more than likely be measured by having rigorous conversation about current issues.
- Recognition within the contract by DSS of the time involved for services to collaborate within communities, given the tyranny of distance and limited digital connectivity.

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?

Poor staff retention is a major factor that impacts on service delivery in remote communities. Looking to the local Aboriginal community to take up traineeship positions is one model that can build a sustainable workforce. However, for this strategy to be successful several factors need to be present:

1. Placing contractual obligations on service providers to employ Aboriginal people
2. Providing accredited training to the Indigenous staff including Language, Literacy and Numeracy support
3. Service providers expecting Indigenous people to take jobs, providing them with inductions, job descriptions and mentoring whilst they are learning to work.
4. Supporting service providers with wage subsidy to contribute to training and employment support for Aboriginal employees.

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

- A dedicated one stop shop for Remote workers to access culturally appropriate training, support, resources and tools.

3. Strategies to support client outcomes

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

There are a range of strategies that can be used to support clients for example:

- Providing training and support to access financial services (bank accounts, internet banking, key card replacement etc. etc.)
- Education on purchasing options
- Support to get out of debt and pay off fines
- Assistance for the family to individually and collectively manage their resources
- Language Literacy and Numeracy training to be able to interact with the market economy and access jobs when they become available

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

- Consider emerging frameworks for supporting change within remote Indigenous communities that are being developed in the child & family services space such as Narrative Therapy and Justice-based Community Work.¹ These strategies could be used to support prevention and early intervention for problem gambling, problem humbugging, caring for the elderly and disabled members of the remote community
- Support FWC services to deliver NLS loans to their clients. In the process of delivering NLS clients are very motivated by the desire to purchase goods. The client fully engages in the development of budgets which provides an overview of their entire financial situation. By reviewing bank statements (part of the process of applying for the loan and checking ability to pay), many financial problems are uncovered and support provided to the client to change. Its not only the purchase of the good that helps someone living in poverty but the engagement of the person in understanding their financial affairs.

4. Strategies to build a strong workforce

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

- In remote communities, staff who come in from outside that community often have a greater level of qualification and skill than local workers however, they struggle to stay living in a remote community for any length of time. Focussing on the employment of Indigenous people in the remote community serves many purposes:
 1. That person learns about financial capability in an in-depth way because they have to start teach other people. These skills are passed on to their family members as well as service users in the community
 2. Making jobs available in remote communities helps to achieve the employment outcomes that the government is seeking
 3. Indigenous people are likely to remain in the community for longer than an external person

¹ Tucci, J., Mitchell, J., Lindeman, M., Shilton, L. and Green, J. (2017) Strengthening Community Capacity to End Violence: A Project for NPY Women's Council. NPY Womens' Council and Australian Childhood Foundation, Alice Springs

Yes, these Indigenous workers require training, education and support. Many have never worked before and require training in all aspects of work (including the development of a work ethic, how pays work, how leave works, how to read a payslip, how superannuation works, how tax works etc. etc.)

- By allocating funding to service providers to use to purchase training for their Indigenous staff you place the funds in the hands of the people who know what training is needed. However, to make sure the funding is spent on training it could be quarantined and acquitted separately. There also needs to be a loading for training Indigenous staff in remote communities to acknowledge that those staff are starting from a lower skill base, that their literacy levels are lower and that providing to people in remote communities is more expensive. Training funding of \$10,000 per Indigenous employee per year would be a minimum spend.

Other points to consider:

- Staff are frequently changing positions within services due to the instability of secure employment in the sector. There needs to be longer term funding rounds.
- Traineeships to attract young people to the sector and build skills and move into full time positions, especially local people in communities.

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

1. An online Induction Program that includes:
 - the complete history of the FWC sector and how it fits into the overall community service sector
 - Introduction to the role and when to refer to a financial counsellor
 - visual descriptor of referral pathways in and out of the FWC service
 - Induction needs to be targeted to Indigenous workers in remote communities
- Ongoing 2-way mentoring is required to enable workers to be supported in their professional development.
- Templates and generic case notes and prompters for staff with low LLN skills.
- The ANZ Bank's MoneyBusiness Kit is still used by FWC workers in remote communities as it enables workers to develop education responses to their local community issues.
- A move away from the emphasis on individual Budgeting as the only tool for aboriginal people in remote communities to manage their money when money is managed collectively within family groups

5. Strategies to strengthen evidence improve practice and measure outcomes

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

The key issues involved in evaluation the FWC Activity are:

1. A lack of a clear framework for defining the outcomes expected from funding.
2. A lack of understanding of the difference between process evaluation and outcome evaluation

3. Evaluation of the FWC Activity in remote communities has been difficult with limited examples to follow and lack of funds to dedicate to the development of evaluation frameworks and databases for collection of data.
4. Reliance on a professional association to lead sector development rather than the university/research sector e.g. using an organisation like Drummond Street Services to design an evaluation and outcomes framework in collaboration with services (divided into sub sectors eg Remote Indigenous, Urban, CALD) would be a better approach.
5. Lack of funds dedicated to evaluation.

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

1. Understanding the outcomes that are being achieved in remote communities with Indigenous clients and how these differ from the outcomes being achieved in urban areas. In terms of Financial capability, Indigenous people in remote communities are not starting from the same place as people coming from overseas or their counterparts who are born in urban areas. Not only is English a third or fourth language but there is no literacy or numeracy in their first and second languages (they are all only verbal languages, there is limited reading and writing)
2. Assist service providers to think about community development and what a financially capable community might look like. How to work collaboratively with other services and community members to improve the financial capability of the community as a whole as well as the individual.
3. Evaluations that are co-designed with each service/organisation so that evidence can be collected from a range of service delivery models rather than trying to get one model to fit all client populations and regions.
4. Provide training to organisations to implement Action Research as a method of process evaluation that can guide improvements in service delivery based on the collection of evidence.