

22nd March 2017

Reply to the Discussion paper “Financial Wellbeing and Capability Activity”

It is of great concern if eligibility for financial counselling is restricted to clients who are at imminent risk of not being able to pay their debts and/or are in receipt of a welfare allowance. We believe that the following points need to be considered:

1. There are many people not in receipt of welfare allowances but may find themselves in financial difficulty due to **circumstances not within their control** such as illness, self-funded retirees, loss of employment and the underemployed (working poor) just to name a few.
2. Many people require a financial counsellor due to **change of circumstances**. People who have not been involved with the welfare system are often unaware of benefits that they may be entitled to.
3. What **evidence** is there that clients on welfare benefits have the greatest need and/or more likely to be in imminent risk.

An important role of a Financial Counsellor is to educate people and **provide intervention before a crisis occurs**. The peak body for Financial Counselling the FCA states on their website that “People from all walks of life can find themselves with money problems.” Would it not be beneficial to provide Financial Counselling to people before they are in crisis and circumvent them ending up on welfare payments?

Financial Counselling is a **FREE** service as stated by the FCA. Where then would non-welfare recipients be able to access government funded financial counselling? Would this not then be classed as **discrimination**?

Strategies to improve the targeting of services:

The first point we would like to make is **Education** is a very important element in the prevention of a Financial Crisis. Education and the delivery of financial skills to people within schools, community groups and CALD groups etc is a critical service and very important for financial crisis prevention.

Secondly **targeted delivery of services** could be a strategic form of service delivery. This could be delivered to the community by Financial Counsellors operating out of key services such as Centrelink offices, Housing Offices, Job Networks along with other organisations and private services. A Counsellor would be operating out of each venue a couple of days a week. This would have many advantages such as services being easily accessible, quick service delivery reducing waiting lists and reducing the number of people not turning up for appointments.

However the Financial Services would have to be funded adequately. Two full time counsellors (one only funded by DSS) to cover the whole of the Central West of NSW as it is in our case is simply not adequate. There would need to be enough counsellors to cover each town where a Centrelink and/or Housing Office is located along with venues for people who are not on benefits.

Every service in each area is unique and it is this uniqueness must be kept as every area has different needs as their community grows and/or changes. It would be unethical and discriminatory to deny essential services to people in need.

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