

**RESPONSE TO DISCUSSION PAPER Financial Wellbeing and Capability Activity**

1. **Strategies to improve the targeting of services**
	1. This organization currently directs support to Moonee Valley residents who meet the criteria proposed by the Australian Department of Social Services –
		* Residents in receipt of an Australian Government social welfare allowance, pension or benefit
		* Residents experiencing domestic and family violence
		* Immigrants or non-citizens

The proposed guideline that

*ER and Commonwealth Financial Counselling (CFC) services would be restricted to those at imminent risk of not being able to pay their debts*

is not a helpful criteria and provides no method of identifying those individuals – for instance, what evidence is required to establish this *imminent risk.*

Our experience over the past 40 years supports the belief that individuals and families that seek emergency relief (ER) are managing their finances week-to-week, living on low, fixed or no income. Their presentation is triggered by either a major or minor crisis because they have no financial or social buffers.

Our emergency relief program aims to support residents at a time of financial crisis quickly, respectfully and with minimal intrusion.

* 1. Strategies to promote access to those most in need include
* flexible, community-based services that have strong networks within the local community, including **2-way** referral processes
* using both professional and volunteer staffed services to maximise catchment across demographic and geographic areas
* training in cultural sensitivity and the use of interpreter services
* situating services at transport hubs
* enabling home based services the potential to distribute ER as transport can be a significant, limiting factor
* using organisations that have a number of outlets
* using local organisations with local knowledge and high investment (social, financial) in the local community
* planning the distribution of ER funds including amount issued per client, per session, per year to promote equity and sustainability
* simple processes to maximise ER to residents in crisis as opposed to supporting the administration of the grant
1. **Strategies to increase service integration**
	1. Council can build on its business units that currently deliver community based services. These business units have developed networks in the local area over many decades. Council also has a vested interest in promoting partnerships that build opportunities for local businesses and the local community.

Nevertheless, the majority of residents presented for ER independently – their knowledge of the ER outlet given by their social contacts (often culturally based) or by organisations providing short term case management. Referrals to Council’s ER outlet comes from government organisations such as Centrelink, Family and Children’s Services, Office of Housing; community based/non-government organisations such as Co As It, church groups, neighbourhood centres; health providers such as the Royal District Nursing Service.

Local networks are often informal and two-way. To formalize these networks would require an investment in training and infrastructure and developing a more professional service: setting up referral protocols, closer monitoring of client outcomes, more documentation and so on

* 1. Data from the first 6 months of this financial year indicate that 646 individuals accessed ER on 928 occasions (sessions) (See Appendix 1). Amounts distributed are between $50 (for an individual) and $100 (for a family with one child) per session. Access to this ER is limited to 3 times per year in most instances (ie. $150 per annum to an individual – equivalent to $0.41 per day).

The biggest effect that formalizing the relationship with other organisations will have on the current service will be to transfer much needed ER funds to paying for various professional requirements – such as improved ICT, developing referral pathways, administration, and employment of professional staff.

Currently volunteer staff distribute the bulk of funds and the bulk of funds that we receive from the Australian Department of Social Services go directly to residents in need – 97% of year to date funds have gone directly to residents in need – see Appendix 2

Within the community sector, Council has a long history of cooperation and coordination in the provision of support services. Existing networks could be further developed to align with the goals of the Financial Wellbeing and Capability activity. However, the role of crisis support is seen as a critical function of ER that is at risk of diminution if distribution of ER funds are regulated by mandating links to other supports within the community.

* 1. Residents in most cases seek assistance from the Commonwealth Department of Social Services and Centrelink. These government bodies are well placed to identify people at risk and in need of financial and social support. Many non-government organisations are funded to support vulnerable populations by providing services, information, case management and advocacy in culturally supportive environments.

The majority of residents seeking ER have exhausted these avenues and are in need of immediate financial help. Their ability to seek what amounts to an extra 40 cents a day may be part of what is considered poor financial planning by those of us employed but from another’s perspective could be argued to be sound financial management.

The laudable longer term aims of building independence, budgeting skills, and work readiness need not be the concern of every organisation an individual comes in contact with.

* 1. Elements that support a successful hub model include strong local networks, well trained staff, scattered outlets, clear referral protocols, flexible response options. Additional support may include funds to establish the infrastructure needed to support a wrap-around service model – ICT training and support, in particular, not only required to meet DEX reporting, financial acquittal but also to make appropriate referrals and develop strong networks.
	2. **n/a**
	3. Australian Government funding can support integration of Financial Wellbeing and Capability services by targeting those agencies that can penetrate to the most vulnerable but also have a broader purpose that enables them to add value by using strong local networks to assist the most vulnerable.

However, the concern is that in supporting the integration of services, funds will be transferred from those most in need of crisis financial support to supporting the organisations that distribute these funds.

Care is needed not to make the immediate financial assistance dependent on accepting longer term assistance – while a person’s life may be in crisis (caused by or causing financial crisis) there is still a need to be able to provide quick, respectful access to funds without onerous conditions.

1. **Strategies to support client outcomes**
	1. While information can be given to residents presenting in financial crisis and residents can be referred to various organisations for specific support such as financial counselling, many residents are simply in need of emergency financial assistance. This is supported by your *Financial Wellbeing and Capability: Discussion Paper* in which The Salvation Army’s ‘Doorways’ quotes 50% of ER clients only require short-term assistance (one visit). This belief is also supported by our experience and understanding that residents have a variety of agencies that are regularly accessed for more in-depth support.
	2. Repeat presentations are limited to 3 per year. While referral is always possible it is not a requirement of receiving material aid and, if used in this way, may undermine trust and feelings of acceptance, respect and dignity and in the long run inhibit change. Council is well positioned to provide ready access to those in need and has strong networks within the community to provide well-integrated, wide ranging referrals to assist a variety of need. However, it is believed that access to ER should not be conditional upon agreeing to referral to other agencies. People need to be ready to accept support before they can embark on substantial change.
	3. DSS can better support early intervention and prevention opportunities by funding organisations that can add value to any grant – infrastructure, local knowledge, training, partnerships, vested interest in supporting the most vulnerable.

However, such support should not replace ER because individuals that meet the grant criteria will inevitably find themselves in times of financial crisis and will need to be able to address the crisis before they can contemplate assistance that addresses the longer term support needs.

1. **Strategies to build a strong workforce**
	1. ER services need to have good networks so that referrals can be made simply and effectively when clients indicate a willingness and readiness to take the next step. There needs to be a balance between training staff to enable quick access to emergency funds and providing professional staff to build capacity when the right opportunities occur.
	2. It is imperative that funds get to the people in need, rather than build employment opportunities for the well-educated and capable citizens. Recent experience in the Australian vocational training space resulted in reported misappropriated funds and poorly monitored organisations benefiting at the expense of the people targeted for support.
2. **Strategies to strengthen evidence, improve practice and measure outcomes**
	1. Key issues to be evaluated in the Financial Wellbeing and Capability Activity include:
		* Maximizing funds that get to the targeted population
		* Effectiveness of targeting support
		* A range of specialist services with expert knowledge and skills – eg. financial, educational, counselling, advocacy